

In the Privy Council

No. 31 of 1950.

ON APPEAL
FROM THE SUPREME COURT OF CANADA.

BETWEEN

THE CITY OF MONTREAL - - - - - *Appellant*

AND

SUN LIFE ASSURANCE CO. OF CANADA - - - - - *Respondent.*

RECORD OF PROCEEDINGS—Vol. 4

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INSTITUTE OF ADVANCED
LEGAL STUDIES

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DOMINION OF CANADA

In the Supreme Court of Canada

(OTTAWA)

On Appeal from a judgment of the Court of King's Bench.

10 BETWEEN:—

SUN LIFE ASSURANCE CO. OF CANADA,

Petitioner before the Board of Revision;
Plaintiff-Appellant in the Superior
Court;
Appellant-Respondent in the Court of
King's Bench, Appeal Side,

20

APPELLANT,

— and —

30

THE CITY OF MONTREAL,

Respondent before the Board of
Revision;
Respondent in the Superior Court;
Appellant-Respondent in the Court of
King's Bench, Appeal Side,

40

RESPONDENT.

JOINT CASE

VOL. IV — PLAINTIFF'S & DEFENDANT'S EXHIBITS. (Page 677 to 845).

PART III — EXHIBITS

DEFENDANT'S EXHIBIT D-29 AT ENQUETE

Table, Dominion Bureau of Statistics, Index Cost, 1901-1942.

DOMINION BUREAU OF STATISTICS — INTERNAL
TRADE BRANCH

INDEX NUMBERS OF WHOLESALE PRICES OF BUILD-
ING AND CONSTRUCTION MATERIALS AND OF
RATES OF WAGES IN THE BUILDING
TRADES, 1901-

	Index Numbers of —			
	Wholesale Prices of Building and Construction Materials		Rates of Wages in the Building Trades	
	1926=100	1913=100	1926=100	1913=100
1901	48.6	72.5	35.0	60.3
1902	50.2	74.9	37.3	64.2
1903	54.1	80.7	39.2	67.4
1904	55.7	83.2	40.5	69.7
1905	55.2	82.4	42.4	73.0
1906	58.0	86.5	44.7	76.9
1907	60.1	89.7	46.6	80.2
1908	65.0	97.0	47.4	81.5
1909	63.5	94.8	48.3	83.1
1910	62.0	92.5	50.5	86.9
1911	65.1	97.1	52.4	90.2
1912	64.9	96.8	55.8	96.0
1913	67.0	100.0	58.1	100.0
1914	62.8	93.8	58.6	100.8
1915	60.5	90.3	59.0	101.5
1916	69.5	103.7	59.5	102.4
1917	87.4	130.5	63.9	109.9
1918	100.7	150.3	73.2	125.9
1919	117.8	175.8	86.1	148.2
1920	144.0	214.9	105.1	180.9
1921	122.7	183.2	99.1	170.5
1922	108.7	162.2	94.4	162.5
1923	111.9	167.0	96.7	166.4
1924	106.6	159.1	98.6	169.7
1925	102.9	153.5	99.0	170.4
1926	100.0	149.2	100.0	172.1
1927	96.1	143.4	104.2	179.3
1928	97.4	145.3	107.8	185.6
1929	99.0	147.7	114.8	197.5
1930	90.8	135.5	118.1	203.2
1931	81.9	122.2	113.7	195.7
1932	77.2	115.2	103.5	178.2
1933	78.3	116.8	91.8	158.0
1934	82.5	123.1	89.9	154.8
1935	81.2	121.2	92.9	159.8
1936	85.3	127.3	93.4	160.8
1937	94.4	140.8	96.0	165.3
1938	89.1	132.9	98.4	169.4
1939	89.7	133.8	99.2	170.7
1940	95.6	142.6	101.5	174.6
1941	107.3	160.1	107.3	184.6
1942	Jan.	113.5	169.3	
	Feb.	114.1	170.2	
	March	114.8	171.3	
	April	115.1	171.7	
	May	115.1	171.7	
	June	114.9	171.4	
	July	114.5	170.8	
	Aug.	114.5	170.8	
	Sept.	114.8	171.3	
	Oct.	116.2	173.4	
	Nov.	116.4	173.7	
	Dec.	116.7	174.1	

DEFENDANT'S EXHIBIT D-52 AT ENQUETE

*Adjustment of Dominion of Canada figures adjusted
to City of Montreal figure.*

*Nombres indices des prix coûtants du matériel de construction
et de la main d'oeuvre en construction pour 1901 à 1942
d'après le bureau des statistiques du Ministère du Travail; Ottawa, Canada.*

Années	Nombres Indices						Nombres indices calculés du coût total de construction 1936 = 100
	des prix coûtant des matériaux de construction		%	du coût de la main d'oeuvre		%	
	1926 = 100	1936 = 100		1926 = 100	1936 = 100			du coût total
1901	48.6	57.0	de 1920 à 1941	35.0	37.5	de 1920 à 1941	49.7
1902	50.2	58.9		37.3	39.9		51.8
1903	54.1	63.4		39.2	42.0		55.4
1904	55.7	65.3		40.5	43.4		57.1
1905	55.2	64.7		42.4	45.4		57.5
1906	58.0	68.0	62.7	44.7	47.9	37.3	60.5
1907	60.1	70.5		46.6	50.0		62.9
1908	65.0	76.2		47.4	50.7		66.7
1909	63.5	74.4		48.3	51.7		65.9
1910	62.0	72.7		50.5	54.1		65.8
1911	65.1	76.3	d'après la moyenne	52.4	56.1	d'après la moyenne	68.8
1912	64.9	76.1		55.8	59.7		70.0
1913	67.0	78.5		58.1	62.2		72.4
1914	62.8	73.6		58.6	62.7		69.5
1915	60.5	70.9		59.0	63.2		68.0
1916	69.5	81.5	d'après la moyenne	59.5	63.7	d'après la moyenne	74.9
1917	87.4	102.5		63.9	68.4		89.8
1918	100.7	118.1		73.2	78.4		103.3
1919	117.8	138.1		86.1	92.2		121.0
1920	144.0	168.9		67.0	105.1		112.5	149.8
1921	122.7	143.8	66.5	99.1	106.1	33.5	131.2
1922	108.7	127.4	64.0	94.4	101.1	36.0	118.3
1923	111.9	131.2	64.75	96.7	103.5	35.25	121.6
1924	106.6	125.0	64.0	98.6	105.6	36.0	118.4
1925	102.9	120.6	62.0	99.0	106.0	38.0	115.8
1926	100.0	117.2	62.0	100.0	107.1	38.0	114.2
1927	96.1	112.7	61.0	104.2	111.6	39.0	113.6
1928	97.4	114.2	60.0	107.8	115.4	40.0	115.9
1929	99.0	116.1	59.5	114.8	122.9	40.5	120.3
1930	90.8	106.4	57.0	118.1	126.4	43.0	117.1
1931	81.9	96.0	56.0	113.7	121.7	44.0	109.5
1932	77.2	90.5	55.25	103.5	110.8	44.75	101.5
1933	78.3	91.8	59.5	91.8	98.3	40.5	95.5
1934	82.5	96.7	59.0	89.9	96.3	41.0	97.6
1935	81.2	95.2	64.5	92.9	99.5	35.5	98.1
1936	85.3	100.0	65.0	93.4	100.0	35.0	100.0
1937	94.4	110.7	65.0	96.0	102.8	35.0	107.9
1938	89.1	104.4	63.0	98.4	105.4	37.0	104.8
1939	89.7	105.2	60.2	99.2	106.2	39.8	105.6
1940	95.6	112.1	62.1	101.5	108.7	37.9	110.9
1941	107.3	125.8	64.3	107.3	114.9	35.7	121.9
1942	115.1	134.9	± 65.0	113.7	121.7	± 35.0	± 130.3

PLAINTIFF'S EXHIBIT P-24 AT ENQUETE

*Graph showing the trend of Head Office Staff Annex —
Staff totals.*

— PHOTOSTAT —

STAFF TOTALS

December 31st, 1920	449
December 31st, 1925	1032
December 31st, 1930	2648
August 14th, 1930	2774 (Peak)
December 31st, 1935	1923
December 31st, 1940	1672
December 31st, 1941	1656
December 31st, 1942	1535
March 20th, 1943	1505

SHB/AMD
March 20th, 1943.

S. H. Brockhurst,
Chief - Personnel Department.

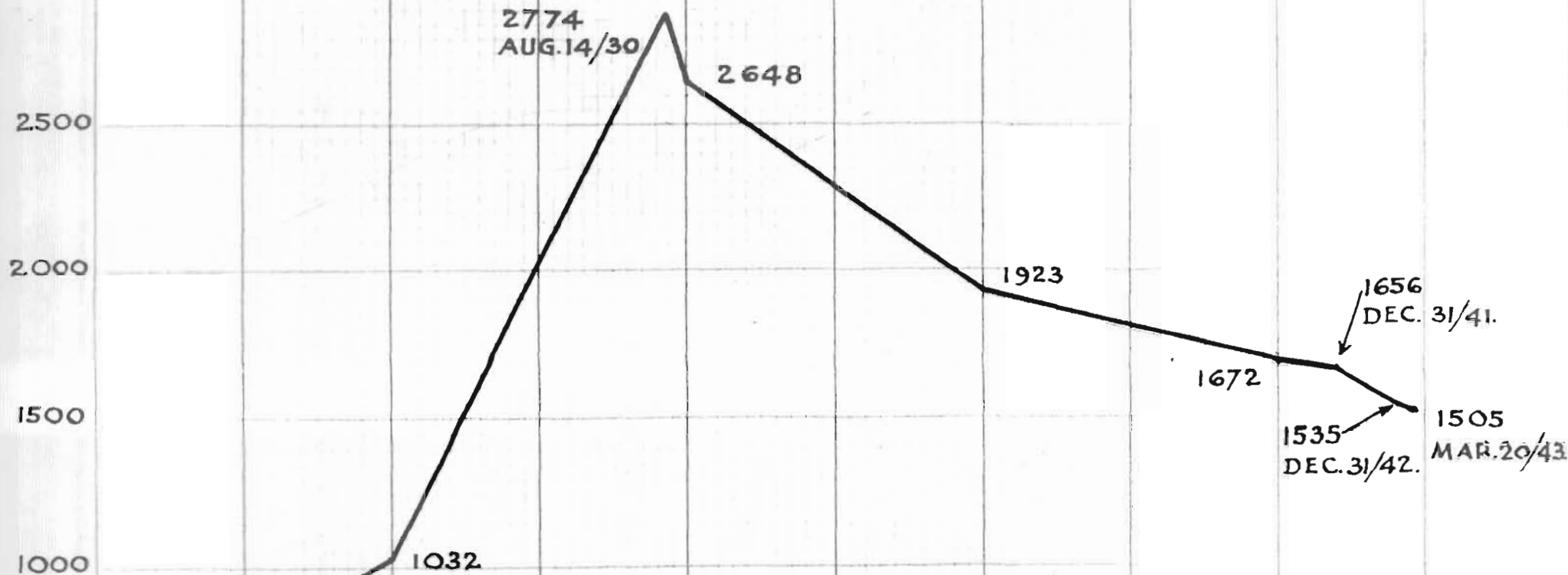
DEC. 31
1920

DEC. 31
1925

DEC. 31
1930

DEC. 31
1935

DEC. 31
1940



HEAD OFFICE STAFF
SUN LIFE ASSURANCE CO. OF CANADA
MONTREAL
1920 - 1943 INCLUSIVE

EXHIBIT D-11 DE LA DEFENDERESSE A L'ENQUETE

Preuve du coût de remplacement calculé par le service technique comparé au coût déclaré par Sun Life Ass.

MONTANTS DEBOURSES (année par année d'après la cédula A des admissions de la Sun Life Ass. Co. et montants nets déboursés: — déductions faites pour démolition des murs, et divisions temporaires pour trottoirs et remboursement de \$7,963.46 (en 1922).

Pour prouver le coût de remplacement calculé par la division Technique de \$18,706,115.53 soit 98.5%).

Chiffres indices d'après Min. Trav. Ottawa	Années	Montants Déclarés par la cédula A	déductions faites	Montants correspondants au rôle 1941 (indice 109)
72.4	1913	\$ 126,794.02	\$ 106,223.67	\$ 159,919.74
69.5	1914	524,183.22	441,838.11	692,934.71
68.0	1915	200,465.20	169,565.88	271,797.15
74.9	1916	350,416.74	295,997.07	430,764.54
89.8	1917	596,634.21	502,536.88	609,979.26
103.3	1918	444,584.06	375,454.20	396,179.27
121.0	1919	64,279.22	53,990.07	48,634.26
149.8	1920	24,643.34	20,246.22	14,731.15
131.2	1921	49,451.77	42,088.72	34,967.31
118.3	1922 moins	7,963.46		
121.6	1923	280,933.92	237,759.02	213,127.19
118.4	1924	603,927.50	510,381.88	469,857.56
115.8	1925	764,022.12	646,010.72	608,089.89
114.2	1926	253,774.89	214,917.48	205,138.73
113.6	1927	219,701.47	185,161.55	177,662.51
115.9	1928	1,775,710.92	1,502,269.88	1,412,884.82
120.3	1929	3,063,802.54	2,591,756.95	2,348,390.97
117.1	1930	6,510,749.83	6,440,414.83	5,994,738.12
109.5	1931	3,207,452.79	3,207,452.79	3,192,698.51
101.5	1932	589,543.95	589,543.95	633,111.25
95.5	1933	194,609.58	194,609.58	222,127.37
97.6	1934	45,045.50	45,045.50	50,306.81
98.1	1935	43,693.34	43,693.34	48,547.67
100.	1936	62,707.18	62,707.18	68,350.84
107.9	1937	22,634.96	22,634.96	22,865.84
104.8	1938	89,065.68	89,065.68	92,637.21
105.6	1939	101,330.51	101,330.51	104,593.35
110.9	1940	421,719.33	421,719.33	414,507.93
121.9	1941	62,672.73	62,672.73	56,041.96
		<hr/>		
		\$20,686,587.06		
moins murs		1,215,450.00		
“ division temp.		223,713.33		
“ trottoir		70,335.00		
		<hr/>		
Total		\$19,177,088.68	\$19,177,088.68	\$18,995,585.92

DEFENDANT'S EXHIBIT D-27 AT ENQUETE

Extracts from Minutes — October 5th, 1927.

10 THE POSITION OF THE COMPANY — 1927 — The results of the financial, underwriting, agency, and general policies pursued by the Company can best be summarized by quotations from the address of Mr. Macaulay in moving the adoption of the annual report for 1927, his Jubilee year:

“The new assurances completed amounted to \$328,000,000, an increase of over \$62,500,000.

20 “The amount in force at the close of the year had risen to \$1,487,000,000, and at the present moment is well over \$1,500,000,000.

30 “The income exceeded \$102,000,000, an increase over the previous year of \$23,800,000. To me, this is very impressive. Not only has this item passed the one hundred million mark, but the increase alone is equal to the total income of eight years ago, which had been accumulated by forty-nine years of strenuous effort. A life company with a total income no greater than our increase would be an important corporation.

“The assets have increased by \$56,000,000 and now exceed \$400,000,000.

40 “But the most wonderful of all these figures is the amount earned as profit — \$38,000,000. How great this figure is may be judged from the fact that the earnings of the previous year, in which we so rejoiced, were \$20,500,000. It would be hardly reasonable to assume that the earnings of future years will continue on such a tremendous scale, and we have therefore set aside a large part of this sum to provide for future contingencies.

“Our securities have been valued on a very conservative basis, but from even those moderate values we have set aside another \$5,000,000 to provide for market fluctuations, making the total deduction under this heading \$10,000,000.

10 ‘We have also set aside the following amounts: A further \$1,500,000 for unforeseen contingencies, raising that fund to \$12,500,000; \$500,000 to provide for possible greater longevity of annuitants, raising that item to \$2,000,000; and \$1,300,000 to increase our reserves on tropical business; besides writing off another \$1,000,000 on our head office and other buildings.

 ‘We have distributed \$11,100,000 in profits to our policyholders, and have also set aside \$6,200,000 to cover profits accrued on policies.

 ‘After providing for all these amounts, we have added \$11,000,000 to our undivided surplus, raising that sum from \$34,000,000 to \$45,000,000.

20 Note: The capital stock of the Company, representing an additional safeguard to its policyholders, stood in 1897: authorized \$2,000,000, subscribed \$700,000, paid-up \$100,500 (pp. 133, 134). In 1910 the subscribed capital was raised to \$1,000,000, of which \$250,000 was paid. In 1915 the paid-up capital was raised to \$350,000. In 1921 a new subscription of \$1,000,000 was raised, of which \$350,000 was paid; at the same time an additional amount of \$15 per share was paid on the old stock. A further call on the new issue, making it uniform with the old, was made in 1925, when the stock account stood; authorized \$2,000,000, subscribed \$2,000,000, paid-up \$1,000,000. In February 1926 the paid-up capital was raised to \$1,500,000, and on January 1, 1928 to \$2,000,000, so that the authorized capital is now fully subscribed and paid.

30

40 ‘For the eighth consecutive year we have increased the scale of profit payments to our policyholders. The distribution for 1928 will call for approximately \$14,000,000.

 ‘We can already say that in profitableness to our policy holders, we are not excelled by any life company in the world; but we are not satisfied and will not be satisfied until we can make an even stronger statement than that. Years ago, I told our field force that we hoped to be able to announce an increase in our profit scale for ten years, but the ninth and tenth years have yet to come, and

their story has yet to be told. Our huge undivided surplus and our great contingency funds are the best guarantee our policyholders can have as to their future dividends.

10 ‘How are we able to make these huge profits? The \$38,000,000 earned may be divided as coming approximately: \$14,000,000 from the regular operations of the Company, \$5,000,000 from profits actually realized by the redemption or sale of securities, and \$19,000,000 from increase in market values. And, of all the profits made in the participating branch, the policyholders get ninety-five per cent. . .

20 ‘The position we have attained justifies enthusiasm, but we must always look on the present as a mere vantage ground from which to plan for the future. What is that future to be? Year after year we have been confidently predicting the glorious future yet to come, and that promised future is now unrolling, itself before our eyes in all its greatness and strength. But what of today’s future? I have just been reading my own remarks of two years ago, and already the figures of which we were then so proud look small and outgrown. We have doubled in size every five and a half years since the Company began, 30 but our last doubling has taken only four years, and we are today growing more rapidly than ever before in our history. I predict that the figures of two years hence will make even the figures of today look small and outgrown in their turn. . .

40 ‘In 1927 the aggregate new business of all the companies operating in the United States exceeded the total for 1926 only by one or two per cent, and in Canada by about seven per cent. But the new business of the Sun Life of Canada shows an increase of twenty-three per cent. Our prosperity and popularity, and the enthusiastic support of our policyholders, make our growth both rapid and certain. The future will, I am convinced, be more wonderful than anything we can now imagine. And it is indeed a happy thought that all that growth in size and all that growth in prosperity mean increased service to humanity, and service at steadily lowering cost to our policyholders.’

The figures analyzed by the President confirmed the infant Company he had joined fifty years before in first place

among the non-industrial companies of the British Empire, and further enhanced its high rank among the great life assurance companies of the whole world.

THE HEAD OFFICE BUILDING — The head office of the Company presents a massive and imposing appearance, 10 which is enhanced by its admirable situation on Dominion Square. This fine open space is in the heart of the uptown section of Montreal, and is flanked by many noble buildings: among them Windsor Station, worthy headquarters of the Canadian Pacific Railway; St. James' Cathedral, modelled after St. Peter's, Rome; St. George's Church; and the handsome Windsor Hotel, of which Mathew H. Gault was one of the founders. The Company's building stands on the east side of the Square; The area to the north, substantially greater than that upon which the present structure stands, is the site of further extensions actually 20 commenced in Mr. Macaulay's Jubilee year.

The portion of the structure of which Robertson Macaulay laid the corner-stone in 1914 was not completed until 1918, for the Company's building programme was retarded to enable the fullest possible command of funds to support the Government war loans. It carried the building about two-thirds of the distance between Metcalfe and Mansfield streets, and provided accommodation for some seven hundred and fifty clerks. In a few 30 years the problem of providing for staff additions again became pressing. Knox Church to the rear of the existing structure, was demolished, and on July 27, 1923, Mr. T. B. Macaulay laid the foundation stone of an extension carrying the building through to Mansfield Street. This addition was contemplated in the original design.

The head office as it stands today cannot fail to impress the spectator with its stately beauty, and the perfect harmony of its classic design. Six fluted Corinthian columns, set in a recess in the central portion of the main facade, impart an appearance of richness to the building, and accentuate the stability of 40 the square pylons at the corners. The second frontage on Mansfield Street is a modification of the general design of the main facade, the salient features being faithfully preserved. The general impression conveyed is that of dignity simply expressed; of strength without austerity.

Whithin, the promise of the exterior is fully maintained. The entrance hall leads directly into the Great Hall, which occu-

pies practically the entire ground floor. The central space extends through two storeys, and is flanked by Corinthian columns of syenite — a dark green stone of great beauty, seldom used on account of its rarity and hardness. The bases of these columns are of black Belgian marble; their capitals are of terra-cotta finished in dull gold. The cornice above the capitals is of striking
10 design and proportions, and the rich colouring employed being in harmony with the dominant colour tones of the room, a beautiful effect is secured. The ceiling of the central portion of the great hall consists of a great light in opaque glass, with decorative border in leaded glazing. The wall surfaces of the room are of specially selected Italian Rose Tavernelle marble, while the counter surrounding the central working space is in Levanto marble, with doors, railings and grilles of bronze. Every detail in the great hall contributes to the impressive and beautiful effect
20 of the whole.

The office of the President, the principal executive offices, the Board room and committee rooms, are on the first floor, which is approached by two stairways from the entrance hall. These stairways are of marble, the balustrades being of Grecian design pierced out of the solid block. A reception hall, enclosed by a bronze rail, is found at the head of the stairways. The executive offices are approached from a corridor, which continues along the sides to the mezzanine floor flanking the great hall.

30 In the executive offices and the Board room the prevailing characteristics are dignity and simplicity. The walls are oak-panelled; the furniture of special design to conform to practical requirements. There is an entire absence of ornamentation, and the effect reached is one of quiet elegance.

The general offices on the upper floors surround a light-well. The departments are so arranged that corridors and partitions have been practically eliminated, securing large, open,
40 well-lighted spaces. Locker rooms are distributed throughout the building.

The head office staff is provided with luncheon daily by the Company's own commissariat department. The sixth and part of the seventh floors are taken up with cafeterias, dining rooms, kitchens, bakery, etc., the whole being appointed with modern equipment and up-to-date devices, making for expedition and economy in the task of providing meals for fifteen hundred people within a strictly limited time. A hospital, in charge of nurse and matron, is also established on the sixth floor.

A feature of great interest is the security vault — one of the most modern in type in the world. This is the repository of the great bulk of the Company's assets, and elaborate arrangements are made for their safe custody. The safe itself weighs over 425 tons, and stands within a strong-room, entered through two doors, one of solid steel and the other of steel bars. The door
10 of the safe proper weighs 46 tons. Separate but co-operating combination locks, time clocks, and automatic alarm signals, complete the elaborate mechanical system by which the Company's funds are safeguarded.

The prevailing idea in the internal arrangements of the whole building has been to make the whole structure an effective workshop. Modern labour-saving devices have been instituted, and the fullest effort made to give the utmost value to the work
20 of the staff.

The building is heated directly by hot water radiation; fresh air is supplied by circulating fans, and is thoroughly washed, cleansed and heated before being distributed.

The different floors are reached by six main elevators established in the entrance halls, supplemented by a number of subsidiary elevators.

30 Excluding the basement floors, the available space is 135,000 square feet, and provides accommodation for 1500 clerks. The whole of this space is occupied by the Company.

The building in its entirety is of the most up-to-date fire-proof construction, the framework being of steel, and the outer walls of granite and brick. Terra-cotta hollow tile is used for partitions.

40 The completion of the second portion of the structure happily synchronized with the accession of the Company into the small group of the life assurance companies of the world having assurances in force of a billion dollars. A dedication ceremony was held on February 9, 1926, immediately following the annual meeting at which the President had made this momentous announcement.

The formal declaration that the completed building was open for the transaction of business was made by the Honourable Narcisse Perodeau, Lieutenant-Governor of the Province of

Quebec, who was supported by a distinguished and representative gathering. Mr. John A. Pearson, F.R.I.B.A. architect of the building, after acknowledging the work and co-operation of all who had been associated with the construction of the building,

- 10 Architects for present and proposed head office building: Darling and Pearson, Toronto; staff architect and associate architect, for new extension, Mr. A. J. C. Paine, B. Arch., M.M.E.I.C. Contractors; first portion, P. Lyall and Sons Construction Co., Ltd. second and subsequent portions, Cook and Leitch. J. H. Meneke, Consulting Engineer; E. A. Ryan, Engineer heating and ventilating.
- said, 'Mr. President, your building has been well and truly built. Your Honour, it gives me pleasure to hand you the key, a symbol of the building completed.'

20

Having taken the golden key, the Lieutenant-Governor said: 'I give me great pleasure in the capacity of Lieutenant-Governor of the Province of Quebec, formally to declare this building open for the transaction of business.'

- 30 'This magnificent and imposing building testifies to the growth and prosperity of the Sun Life Assurance Company of Canada, of which we are all so proud, it being perhaps the most beneficent institution of its kind in this country.' Turning to Mr. Macaulay, His Honour went on: 'Here is the key of the edifice of your Company, Mr. President, to the prosperity of which, following in the steps of your father, you have so greatly contributed.'

- 40 Mr. Macaulay expressed appreciation that the ceremony of opening should have been performed by the honoured head of the Province in which the Company was born, and from which its great operations were conducted. He paid eloquent tribute to Mr. Pearson: 'The visitor to St. Paul's, vainly seeking a monument to its creator, Sir Christopher Wren, finds but a simple tablet; whereon is inscribed in Latin, 'If you would see his monument, look around you.' Si monumentum requiris circumspice. The testimony to Mr. Pearson's work is around us here.' And on the significance of the ceremony: 'This building is now, in a full sense, consecrated not merely to the business of the Sun Life Assurance Company of Canada, but to the service of humanity. Our Company exists to serve humanity; the work done here will have a great influence on the uplifting of our people.'

Sir Lomer Gouin, for many years Prime Minister of the Province of Quebec, and for some time Minister of Justice of Canada, added his compliments and good wishes: 'This building, grand as it is, beautiful as it is, marks a date in the history of the Province of Quebec, and in the history of our country. I congratulate Mr. Macaulay and his colleagues on what they have
10 done. . . may they live long for the good of the citizens of the communities served by the Company.'

The accommodation of the present head office building is already severely taxed to provide for the ever-increasing staff. Plans have been prepared for additions to extend over the entire site owned by the Company; these have been evolved as the result of years of careful thought. The building projected will accommodate between 10,000 and 12,000 clerks, and its construction will be timed to keep in advance of the growth of business
20 and staff. The present offices will form but a unit of the eventual structure, whose central tower will reach to a height of more than twenty storeys. The designs provide for a floor area of a million and a quarter square feet.

The Company's home, however, as it at present stands, commands general admiration, not only for its impressive size, but for the intrinsic beauty of its design. It was discussed in an article in the Journal of the Royal Institute of British Architects by Mr. Ronald P. Jones, M.A., F.R.I.B.A., who described
30 it as one of the finest modern office buildings in America.

The architects indeed succeeded in designing a veritable temple of modern commerce. They showed that beauty is not incompatible with the practical requirements of industry, and that artistry and utilitarianism may go hand in hand.

STAFF ORGANIZATION:

40 At the time of the outbreak of war in 1914, the head office staff, exclusive of officers, numbered some 200 people, divided about equally between men and lady clerks. Many of the most promising of the younger men immediately enlisted; presently every eligible single man, as well as many married men, had joined the forces.

A list of the employees of the Company who served in the Great War appears in page 10 of the Appendix.

The President very properly ruled that no man eligible for military service should be employed to fill vacancies created by the enlistment of men who had obeyed the call of patriotism. The few who were engaged during the war period were consequently unfit or too old for service. In the later years, many war casualties were employed.

10

The general supervision of the head office staff is vested in the Secretary. In 1920 Mr. E. E. Duckworth was appointed Assistant Secretary in charge of personnel. He had served as head of one of the actuarial divisions between 1913 and 1918, when he left, with the consent of the Company, to become Superintendent of Insurance for the Province of Quebec. On returning to take up his new duties, he planned to introduce scientific methods for the selection of the staff, and to promote the competence of its members.

20

There were many difficulties. The Company felt severely the lack of the young men who, under normal conditions, would have been brought on to the staff, and gradually qualifying for positions of responsibility. The men returning from the war had lost years of business experience at the most receptive period of their lives. The post-war boom put a premium on labour, applications for employment were few, and the field of selection limited.

30

This period moreover synchronized with a large accession of re-assured business, as well as the sudden expansion in general underwritings following the war. The rapid growth of the Company at his time is reflected in the fact that when normal conditions were restored, the staff had grown to 740 people, of whom sixty-three per cent. had been with the Company less than three years.

40 Improved principles of selection were gradually introduced. The Company has always treated sick members of its staff with liberality and generosity; as a protection against exploitation, a physical examination was imposed on applicants. A high standard of education was insisted on and mental tests were set up as a pro-requisite of employment. Employees were encouraged to enter for examinations in the principles of life assurance, and lecture courses were organized to assist them. This and other means did much to improve and develop the calibre of the staff.

In 1924 the salaried staffs of the division offices were transferred from the supervision of the Agency department to

the Secretarial department. These employees now enjoy the same general privileges and advantages as their confreres at head office. This unification has assisted the conception that all, wherever situated, are members of one family, and has led to the freer exchange of personnel between head office and division offices, as well as between departments. This in turn has its
10 corollary in enabling the closer adjustment of a clerk's duties to his talents, so promoting all-round efficiency. A house organ called the 'Sun Dial', devoted to the interests of the salaried staff, has done much to foster loyalty, to engender ambition, and to encourage the feeling that the employees at even the most distant points are identified with the central organization.

As with the agents, the essential motive of the management is that the service shall be especially attractive to men who seek a permanent and progressive career. As the staff doubles
20 in number on an average every six or seven years, it is obvious that no clerk of proved ability lacks opportunity. In a rapidly growing corporation it is indeed a more exacting problem to find a man for a position, than a position for a man.

The staff enjoys many privileges. In 1910 a plan was introduced to provide an assurance of \$2,000 on the life of each employee, the Company assuming the premium for \$1,000 on the ordinary life plan. This concession was extended to division
30 office employees in 1915. In 1921 the plan was enlarged to provide an assurance bearing relation to salary, and with a maximum of \$5,000, for married male members of the staff; of which the premium on one-half, on the ordinary life plan, was undertaken by the Company.

In 1915 it was announced that the salary of married male employees who might die in the service of the Company would be continued to their widows for a number of months corresponding with the years of completed service, with a maximum
40 of twelve months.

To encourage the members of the staff to carry adequate amounts of assurance, permission was granted later in the same year for premiums, on policies taken personally by the salaried staff, to be deducted by equal instalments from salary cheques. This concession had the effect of doubling the assurance on the lives of the employees within a few months.

In 1917 a non-contributory retirement plan was extended to the staff, operative in the case of men at the age 65, and of

women at 60. Allowances are based on salary and service. Provision is made for proportionate amounts of the pension potentially earned, to be granted to employees who might become permanently disabled. A modified pension is also allowed to the widow of an employee who might die before attaining pension age.

10

These and other privileges, while granted only at the option of the Company, have been faithfully honoured, and indeed exceeded, for aid is not withheld from deserving employees afflicted with misfortune. The generous treatment of those who, according to their endowments, give their best to the Company, has been greatly appreciated, and is reflected in the enthusiastic loyalty of its staff.

20 Facilities are provided for the social recreational, and educational pursuits of the staff through an organization known as the Sun Life Club. A men's club house was provided several years ago. Its main hall, with seating capacity for some five hundred people, is used for musical, dramatic and like performances, and serves also as a gymnasium, and for indoor baseball, basketball, badminton, and other games, Bowling alleys and billiard tables are provided in the basement, while on the second floor there are reading and card rooms. The lady members of the staff are accorded the privileges of this club house at stated times, and in addition have a club house of their own, with a
30 resident matron in charge.

A large playing field in the suburbs of Montreal provides for tennis, cricket, football and other outdoor sports. Some of the teams in connection with both outdoor and indoor activities are members of city leagues; the many trophies exhibited in the club house bear witness to their prowess.

40 The Sun Life Club is controlled by a governing committee elected by its members. Mr. J. O. Richardson has been president since its inception; his interest in its many activities has been unfaltering, and he has done much to enlarge its scope and promote its practical usefulness. Mr. H. M. Maclachlen, a veteran member of the staff, is secretary-treasurer. A number of the officers of the Company hold honorary offices, but the practical management is assumed by the members.

The head office staff at the end of Mr. Macaulay's Jubilee year numberer 1,456 people. The supervision of the various departments is vested in seventy chief clerks, who have been pro-

moted from the ranks in acknowledgment of outstanding merit. Their ability is attested by the high standard of efficiency which has been consistently maintained through all the perplexities and difficulties incidental to the Company's rapid growth.

10 TRIBUTE TO T. B. MACAULAY, October 2, 1927, upon completion of fifty years of service with the Company, by Mr. Herbert C. Cox, President of the Canada Life Assurance Company. At the more personal celebration, men of eminence eulogized the President's work. Mr. Herbert C. Cox, President of the Canada Life Assurance Company, speaking 'as the Representative of Canada's oldest Company of the Chief Executive of Canada's largest Company,' reviewed Mr. Macaulay's services to the business of life assurance. 'I have named but a few of the many things Mr. Macaulay has accomplished for the great undertaking with which he is identified,' he said after this enumeration. 'All these are important, but there remains his greatest contribution — himself. Born upon the very altar of Life Assurance, nurtured in a home dedicated to its uses, he has devoted to it a capacious intellect, an energy inexhaustible, an enthusiasm unquenchable, a personality charming and disarming, approachable and irreproachable, keen but generous, independent but dependable, an imagination which, reaching almost to inspiration, has enabled him to carry his own institution to dizzy heights and dazzling proportions, and to set, withal, an arresting example and ideal before his fellows the wide world over.'

20
30

Mr. MACAULAY'S REPLY. Characteristically, he had summed up the past only as a basis for estimating the future. He concluded, in tones in which sorrow and hope were intermingled: 'But when I talk of the position the Company will have attained twenty-five, forty or fifty years from now, my thoughts are pulled back with a jerk. I remember that while the Company has within its breast the fountain of perpetual youth, that is not true of its President. . . Those fifty years are past, and cannot be re-
40 lived. . . We say reverently and sadly, 'The past is past' . . . But we turn again to the future and resolutely take up our tasks. . . I cannot look forward to another fifty years, nor even to another twenty-five years; but I can perhaps look forward to another ten. . . If God spares us we can have another ten years of work together — ten years to extend the blessing of Life Assurance through the medium of our grand old Company. . . The Fiftieth Anniversary is past and gone; but, please God, the Sixtieth is yet to come.' To the President's humble petition for length of days is joined that of the thousands who, in large or humble capacity, share his aspirations and his labours, and acknowledge him with pride as their honoured and beloved Chief.

PLAINTIFF'S EXHIBIT P-22 AT ENQUETE

Copy of reduction notice dated 18th Nov. 1931

10

Forme 1059—6000—10-31 C13203

CITY OF MONTREAL
Assessors' Office

Montreal, November 18th, 1931

Sun Life Assurance Co, of Canada,
D. L. Macauley, Ass't Secretary,
Metcalf Street,
City.

20

Sirs:-

At a meeting of a Board of Assessors held on the 17th November it was resolved to reduce the valuation of your property, viz:

No.	Street	Ward	Cadastre No.	From	To
30	..... Metcalfe	St. George	1444 etc.	\$12,400,000.00	\$8,000,000.00

Bring your account for correction

Red. 10692

Joseph Rabeau,
Secretary

40

DEFENDANT'S EXHIBIT D-4 AT ENQUETE

Statement of Book Value and Depreciation.

	II. O. Land	II. O. Bldg.	P. H. Land	P. H. Bldg.	Depreciation	Total
Balance 31-12-37	\$920,999.11	\$20,011,798.81	\$119,639.09	\$709,103.14	\$4,404,310.02	\$17,357,230.13
Spent in 1938		89,065.68		154.00		89,219.68
		<hr/>		<hr/>		<hr/>
Deprn. 2% of \$20,100,864.49		20,100,864.49		709,257.14		17,446,449.81
5% of \$709,257.14					402,017.29	
					35,462.86	437,480.15
Spent in 1939		101,330.51				<hr/>
		<hr/>				17,008,969.66
Deprn. 2% of \$20,202,195.00		20,202,195.00				101,330.51
5% of \$709,257.14						<hr/>
						17,110,300.17
Spent in 1940		421,719.33			404,043.90	<hr/>
		<hr/>			35,462.86	439,506.76
Deprn. 2% of \$20,623,914.33		20,623,914.33				<hr/>
5% of \$709,257.14						16,670,793.41
						421,719.33
Spent in 1941		62,673.29				<hr/>
		<hr/>				17,092,512.74
Deprn. 2% of \$20,686,587.62		20,686,587.62			412,478.29	<hr/>
5% of \$709,257.14					35,462.86	447,941.15
						<hr/>
						16,644,571.59
						62,673.29
						<hr/>
						16,707,244.88
					413,731.75	<hr/>
					35,462.86	449,194.61
						<hr/>
						\$16,258,050.27

JOR/MG
Real Estate/Sun Life.
March 31/43.

DEFENDANT'S EXHIBIT D-5 AT ENQUETE

Copy of Memorandum on Assessment of large properties.

MEMORANDUM

10 On the assessment of large properties, such as office buildings,
apartment houses, departmental stores, hotels, etc.

These properties seem to fall into four main categories,
which determine to a large extent the relative importance of the
different factors to be used in arriving at their valuation:—

20 1.—Properties that are developed and operated solely on a
commercial basis as investment propositions, such as the
Insurance Exchange Bulding, the University Tower Building,
the Dominion Square Building, the Drummond &
Drummond Court Apartments, etc. etc. The return on
those investments varies from time to time according to
the demand for and the supply of office and apartment
space in the city and more particularly in the district in
which they are situated. When the demand exceeds the
supply, rents are pushed up and a high return is shown
on the investment, encouraging new construction. When
the demand is satisfied and there is an over-supply of
space, rents fall and with them the return on the invest-
ment. In fact, the situation becomes extreme in a period
of low rents, as the operating charges do not decrease
30 proportionately. It would seem that the proper way to provide
for this fluctuation in net revenue is to combine the
factors of replacement cost and commercial value so as
to allow for the more violent changes that occur in abnormal
times, without departing too far from the normal
values prevailing in a period of balanced supply and demand.
It is recommended that these two factors, viz., replacement
cost and commercial value, be given equal weight
in valuing these properties for a three-year period. A re-
valuation at the end of that time would, of course, take
40 into consideration the conditions then prevailing.

2.—Properties that are completely occupied by their owners,
whether constructed for that purpose or acquired with
that object in view, such as the Canadian Bank of Commerce,
the C.I.L. Building, Eaton's etc. etc. It would
seem that properties in that category are always worth to
their owners the current cost of replacement less depreciation,
since, if the owner had not already acquired such a property,
but wished to provide himself with suitable premises at the
present time he would have to pay current prices to secure
suitable accomodaton. In this theory of

value being based solely on current cost of replacement less depreciation, it is assumed that the building is of a type suitable to the location. Otherwise, consideration will have to be given to the factor of obsolescence.

- 10 3.—Properties that are partly occupied by the owners and partly rented, such as the Royal Bank, the Canada Life, the Bank of Toronto, the Sun Life, etc. etc.

20 It must be remembered that properties of this class have been constructed or acquired as a permanent home for the enterprise in question and that frequently the building is laid out for future development, the tenant situation being considered only temporary or incidental. In other cases, the space rented is provided to help carry the cost of the land, or to increase the size of the building, thereby adding to the prestige of the owner and giving what might be called advertising value to the project. In these cases the owner is enjoying the full utility only of the space occupied by himself, and is dependent on current rental conditions for the carrying charges on the balance of the building. It would seem that some consideration should be given to rental value in these cases, so that the replacement factor should be weighted somewhere between 50 and 100 per cent, and the commercial value factor make up the difference between 50 per cent and zero. No hard and fast rule can be given for the division of weight in these factors, as it will depend on the proportion owner-occupied, the extent to which the commercial features of the building have been sacrificed to the main design with a view to the future complete use of the building by the owner, or the enhanced prestige of an elaborate and expensive construction. Each property will have to be considered on its merits within the limits outlined above.

- 30 4.—In a separate category should be put buildings like theatres and hotels for two reasons. In the first place, buildings of this nature have not as long a useful life as the other classes of buildings, and should be allowed, in addition to structural depreciation, an allowance to cover obsolescence or periodic remodelling and renovation. Secondly, their operation is usually in the hands of the owner or an affiliated company, and there is no way to establish a normal rental value, or to get a true picture of net earnings, as these are so seriously affected by the cost of management, the allowance set up for depreciation and maintenance, etc. It would seem that to some extent these properties should be valued on their individual merits, bearing in mind the condition mentioned above of extra depreciation or obsolescence.
- 40

DEFENDANT'S EXHIBIT D-6 AT ENQUETE

List of buildings in Category 1, 2 & 3 of Memorandum.

CATEGORY 1

COMMERCIAL BUILDINGS

Acc. No.	Name of Buildings	How Assessed	
		% Replacement	% Revenue or Commercial
260367	GARAGE BUILDING	100%	
260467	KEEFER BUILDING	100%	
260586	YORK THEATRE, STORES AND LANCASTER APTS	50%	50%
140052	ESTATE WILLIAM A. M. SWIFT	50%	50%
140113	CORISTINE REALTIES LTD.	50%	50%
140116	LEWIS BUILDING CO. LTD.	50%	50%
140136	CIE GENERALE D'ENTREPRISES	50%	50%
140192	CLERNAY REALTIES LTD.	50%	50%
140200	McGILL BUILDING LTD.	50%	50%
140203	VICTORIA CRAIG REALTIES LTD.	50%	50%
140279	ESTATE JAS S. BRIERLEY	50%	50%
140286	RAILWAY EXCHANGE BUILDING CO.	50%	50%
140299	INSCE. EXCHANGE CORPORATION LTD.	50%	50%
140307	ANGLO AMERICAN TRUST CO.	100%	
140372	LOUIS A GOSSELIN	50%	50%
140683	STANLEY REALTY CORPORATION	50%	50%
140769	PEEL STREET REALTIES LTD.	50%	50%
140770	GARMENT CENTRE CORPORATION INC.	50%	50%
141689	ALEXANDER BUILDING CORPORATION	50%	50%
141693	UNIVERSITY TOWER CORPORATION	50%	50%
141708	GODFREY REALTY CORPORATION	50%	50%
141723	DOMINION SQUARE CORPORATION	50%	50%
141753	STE CATHERINE STANLEY REALTY CORPORATION	50%	50%
141757	ISLAND LAND CO. LTD.	50%	50%
141784	CANADA CEMENT CO. LTD.	50%	50%
141794	CENTRAL BUILDING CO.	50%	50%
170006	READ BUILDING	50%	50%
170019	MAYOR BUILDING	50%	50%
170223	CARON BUILDING	50%	50%
170260	WILDER BUILDING	50%	50%
171273	ONTARIO BUILDING	50%	50%
171497	BELGO CANADIAN BUILDING	60%	40%
171527	SOMMER BUILDING	50%	50%
110268	TRANSPORTATION BUILDING	50%	50%
110281	THEMIS BUILDING	50%	50%

CATEGORY 1
COMMERCIAL BUILDINGS

Acc. No.	Name of Buildings	How Assessed	
		Replacement %	Revenue or Commercial %
110367	ALDRED BUILDING	50%	50%
110174	ALEXANDRE DURANCEAU & CHARLES DURANCEAU	50%	50%
110181	LA CIE D'ASSURANCE SUR LA VIE (SAUVEGARDE)	50%	50%
201432	THE PRUDENTIAL INSURANCE CO. OF AMERICA	50%	50%

CATEGORY 2
OWNER OCCUPIED PROPERTIES

Acc. No.	Name of Buildings	How Assessed	
		Replacement %	Revenue or Commercial %
120022	GRAND TRUNK RAILWAY CO. OF CANADA	100%	
120037	THE MONTREAL WAREHOUSE CO.	100%	
120552	THE NATIONAL BREWERIES LTD.	100%	
120601	NORTHERN ELECTRIC CO. LTD.	100%	
120627	CANADIAN NATIONAL RAILWAYS	100%	
120630	THE NATIONAL BREWERIES LTD.	100%	
120910	NORTHERN ELECTRIC CO. LTD.	100%	
120927	BELDING CORTICELLI LTD.	100%	
120932	CANADIAN CAR & FOUNDRY CO. LTD.	100%	
120939	CANADA & DOMINION SUGAR CO. LTD.	100%	
121327	GRAND TRUNK RAILWAY CO. OF CANADA	100%	
121547	CANADA PACKERS LTD.	100%	
121548	WILSIL LTD.	100%	
121563	OGILVIE FLOUR MILLS CO. LTD.	100%	
130326	THE TOILET LAUNDRIES LTD.	100%	
130998	GAZETTE PRINTING CO. LTD.	100%	
501523	LA CIE J. J. JOUBERT LIMITEE	100%	
260091	WILBANK TELEPHONE EXCHANGE	100%	
260597	OGILVY STORE	100%	
260617	HOLT RENFREW STORE	100%	
261236	GUARANTEED PURE MILK CO.	100%	
140038	LYMAN CORPORATION LTD.	100%	
140097	ROBERT REFORD CO. LTD.	100%	
140107	NORTH BRITISH & MERCANTILE INSCE. CO.	100%	
140191	THE GRAND TRUNK RAILWAY CO. OF CANADA	100%	
140301	ROYAL SECURITIES CORPORATION LTD.	100%	

CATEGORY 2

OWNER OCCUPIED PROPERTIES

Acc. No.	Name of Buildings	How Assessed	
		Replacement %	Revenue or Commercial %
140309	LA BANQUE PROVINCIALE DU CANADA	100%	
140310	NATIONAL TRUST CO. LTD.	100%	
140314	HANSON BROTHERS REALTY CO.	100%	
140316	CANADIAN BANK OF COMMERCE	100%	
140318	NESBITT, POWER CORPORATION ETC., 355 ST. JAMES ST. WEST INC.	100%	
140330	CANADIAN GENERAL ELECTRIC CO. LTD.	100%	
140331	BELL TELEPHONE CO. OF CANADA	100%	
140345	CANADIAN INDUSTRIES LIMITED	100%	
140403	THE BELL TELEPHONE CO. OF CANADA LTD.	100%	
141766	SIMPSONS LTD.	100%	
141770	F. W. WOOLWORTH CO. LTD.	100%	
141771	ESTATE EARL P. CHARLTON	100%	
141777	S. S. KRESGE CO. LTD.	100%	
141778	THE EATON CO. LTD. OF MONTREAL	100%	
141780	MORGAN REALTIES LTD.	100%	
171546	BELL TELEPHONE EXCHANGE BUILDING	100%	
171344	MONTREAL LIGHT HEAT & POWER BUILDING	100%	
110287	BANK OF MONTREAL	100%	
110288	THE ROYAL TRUST REALTY CO.	100%	
110303	THE ROYAL TRUST REALTY CO.	100%	
110368	THE ROYAL INSURANCE CO. LTD.	100%	
110297	LA CIE DE PUBLICATION DE LA PRESSE LTEE	100%	
110298	CREDIT FONCIER FRANCO CANADIEN	100%	
110333	CANADIAN PACIFIC RAILWAY CO.	100%	
110337	MONTREAL REFRIGERATING & STORAGE LTD.	100%	
110370	THE MONTREAL STOCK EXCHANGE	100%	
110423	SALADA TEA COY. OF CANADA	100%	
201473	DUPUIS FRERES LIMITEE	100%	
420643	R. C. A. VICTOR CO. LTD.	100%	
420889	TOOKE BROS LTD.	100%	
420823	MONTREAL TRAMWAYS	100%	
420908	JENKINS BROS. LTD. OF CANADA	100%	
421463	THE IMPERIAL TOBACCO CO. OF CANADA LTD.	100%	
421983	DOMINION TEXTILE CO. LTD.	100%	
422084	CANADA MALTING CO. LTD.	100%	
422086	DOMINION TEXTILE CO. LTD.	100%	
422088	SIMMONS LIMITED	100%	
422131	THE DOMINION ELEVATOR LTD.	100%	
422093	THE STEEL CO. OF CANADA LTD.	100%	
422094	DOMINION TEXTILE CO. LTD.	100%	

CATEGORY 3

PART OWNER OCCUPIED & PART COMMERCIAL

Acc. No.	Name of Buildings	How Assessed	
		Replacement %	Revenue or Commercial %
121330	MONTREAL STOCK YARDS CO.	50%	50%
260536	CANADIAN ARENA COY. "FORUM BLDG"	100%	
140086	MONTREAL BOARD OF TRADE	75%	25%
140222	PHOENIX ASSCE CO. LTD.	75%	25%
140291	BANK OF TORONTO	75%	25%
140295	THE COMMERCIAL UNION ASSCE CO. LTD.	100%	
140297	GLOBE REALTY CORP. LTD.	80%	20%
140300	MONTREAL CITY & DISTRICT SAVINGS BANK	80%	20%
140302	THE GUARDIAN FIRE & LIFE ASSCE CO. LTD.	75%	25%
140306	THE YORKSHIRE INSCE CO. LTD.	100%	
140305	BARCLAYS BANK CANADA	100%	
140308	CANADIAN PACIFIC EXPRESS CO.	50%	50%
140311	STAR BLDG. LIMITED	50%	50%
140317	CANADA LIFE ASSCE CO.	75%	25%
140329	BANK OF NOVA SCOTIA	75%	25%
140348	GUARANTEE CO. OF NORTH AMERICA	75%	25%
140374	CENTRAL INVESTMENT CORP.	100%	
140896	SUN LIFE ASSCE CO. OF CANADA	90%	10%
141609	ALLIANCE NATIONALE	100%	
141772	MONTREAL CITY & DISTRICT SAVINGS BANK	100%	
141785	CENTRAL INVESTMENT CORP. "NEW BIRKS BLDG"	50%	50%
141798	EST. J. E. GATEHOUSE	50%	50%
171342	MONTREAL TRAMWAYS CO.	50%	50%
171345	MONTREAL LIGHT HEAT & POWER CO.	50%	50%
110269	BANQUE CANADIENNE NATIONALE	85%	15%
110366	MONTREAL TRUST COY	90%	10%
201431	MONTREAL CITY & DISTRICT SAVINGS BANK	60%	40%

CATEGORY 4
SPECIAL PROPERTIES SUCH HAS HOTELS,
THEATRES, ETC.

Acc. No.	Name of Buildings	How Assessed	
		% Replacement	% Revenue or Commercial
130062	QUEENS HOTEL LTD	100%	
260366	FORD HOTEL	100%	
140652	DRUMMOND ST. REALTY CORP. "LASALLE HOTEL"	100%	
140753	WINDSOR HOTEL LIMITED	100%	
140854	MOUNT ROYAL HOTEL CO. LIMITED	100%	
141639	BERKELEY HOTEL LIMITED	100%	
141644	CARLTON HOTEL OF MONTREAL	100%	
141690	CANADIAN THEATRE CO. LIMITED	100%	
141701	FAMOUS PLAYERS CORP. LIMITED	100%	
141710	FAMOUS PLAYERS CORP. LIMITED	100%	
141716	MANSFIELD THEATRE CO. LIMITED	100%	

140896

CAD.	S.D.	FRONT	PROFONDEUR	SUPERFICIE
1444		48	100	4800
P 1445		26.3	100	2625
P 1445		26.3	100	2625
1446	A	8.	56.9	454
P 1446		30.	43.3	1312
1447		22.3	56.9	1262
1448		22	100	2200
1449		52.6	100	4575
		39		
1451	2	32	98	2617
		31.5		
	3	22	98	2156
	4	22	98	2156
	5	22	98	2156
	1	100	18	1800
	6	20	215	4300
	7	27.1	127.9	3459.1
	8	27.1	127.9	3459.1
P 1451		12	128	1536
P 1451		63.9	126.8	8864
1450		79.6	127.6	10136
P 1451		108.6	98.	10175
		99.2		
P 1440		66.8	99.5	7142
		76.8	100.	
P 1440		33.	100.	3300
		50.	99.3	
P 1439		50.4	99.6	4986
Lane Not Cad.		180	18	3240
				<hr/>
				91335.2

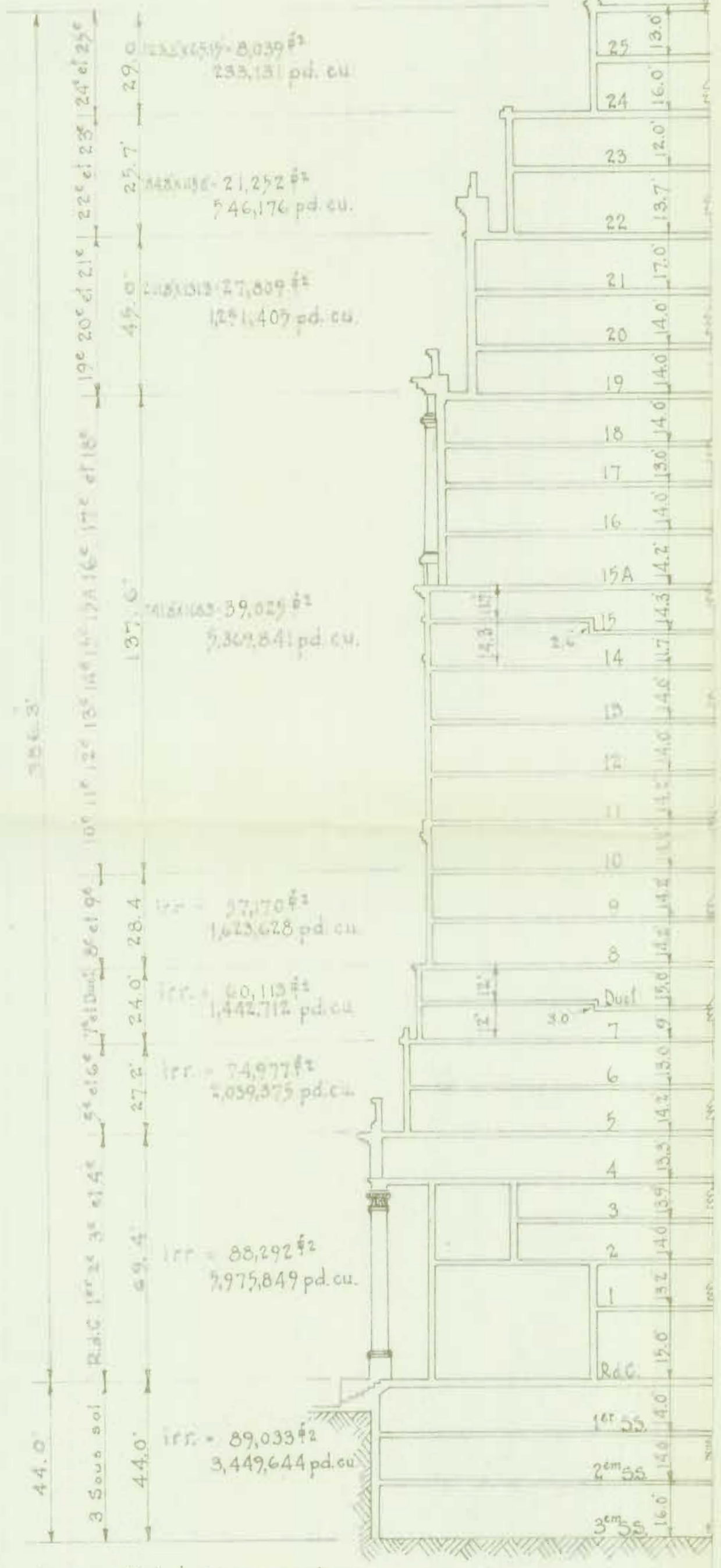
— 703a —

PLAN

Edifice Sun Life

#140896

Hauteur - Superficie et Volume



Superficie (par étage)	Volume
8039 pi. car.	104507 pi. cu.
8039 " "	128624 " "
21252 " "	255024 " "
21252 " "	291152 " "
27809 " "	472753 " "
27809 " "	389326 " "
27809 " "	389326 " "
39025 " "	546350 " "
39025 " "	507325 " "
39025 " "	546350 " "
39025 " "	554155 " "
Duct. " "	480887 " "
39025 " "	533764 " "
39025 " "	546350 " "
39025 " "	546350 " "
39025 " "	554155 " "
39025 " "	554155 " "
57170 " "	811814 " "
57170 " "	811814 " "
Duct. " "	755349 " "
60113 " "	687363 " "
74977 " "	974700 " "
74977 " "	1064675 " "
84612 " "	1125340 " "
84612 " "	1176107 " "
84612 " "	1184568 " "
88292 " "	1165454 " "
88292 " "	1324380 " "
89033 " "	1246462 " "
89033 " "	1246462 " "
59795 " "	956720 " "

Volume Total = 21,931,761 pd. cu. COUPE-DE-LOUE TALENT PARTIELLE

Total = 21,931,761 " "

Petit index #3415
22 Dec. 1942

SERVICE DES ESTIMATIONS
ASSESSORS DEPARTMENT

VILLE DE
CITY OF **MONTREAL**

Copie de la fiche permanente de la chaufferie Sun Life Ass.

No Compte 140912 No Rue 1209 Rue Mansfield Quartier St Georges
Account No. Street No. Street Ward
District Electoral No. Division Cadastre St. Antoine
Electoral District Cadastral Division

CAD.	S.D.	PROPRIÉTAIRE—PROPRIETOR	OCCUPATION	DENOM.	ADRESSE—ADDRESS
P 1375		Sun Life Assurance Co of Canada		N	1153 Metcalfe
etc.					
(voir plus bas)					

DATE D'ACHAT—DATE BOUGHT	PRIX—PRICE	FRONT	Profondeur Depth	Superficie Area	Prix Unitaire du Terrain Unit Price of Land
		(voir plus bas)			

ÉVALUATION DU TERRAIN—LAND VALUATION					ÉVALUATION — VALUATION					
CAD.	S.D.	FRONT	PROF.	SUP,	Année Year	Terrain Land	Bâtiment Building	TOTAL	Entretien des trottoirs Sidewalk maintenance	Initiales de l'estimateur Assessor's initials
P 1375		54.	77	4158						
P 1374		30.5	77	2335	19					
P 1374		30.14			19					
P 1373		32.86	77	2516	19					
		32.5			19					
				9009	19					
					19					
					19					
					19					
					19					
					19					
					19					
					19					
					19					

Rapport de l'estimateur quand l'évaluation varie de plus de 5% des calculs indiqués.
Assessor's report when valuation varies more than 5% from calculations shown.

Lorsqu'un plan est tracé, les calculs doivent y être indiqués.
Where plan given, calculations to be shown on plan.

Année Year	Prof. en pieds Depth in feet	Co-efficient	Taux Rate	Valeur Value

Ne doit être changé que lorsque la valeur unitaire a été changée.
To be changed only when unit value changed.

Les rues, les intersections, les ruelles et les changements dans les districts électoraux doivent être indiqués ici.
Streets, intersections, lanes and changes in electoral districts to be shown here.

PLAINTIFF'S EXHIBIT P-25 AT ENQUETE

*Statement of percentage of rentable area for the years
1938 to date.*

10

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE BUILDING

Company Occupancy

The following table shows the percentage of the total rentable area of the building occupied by the Company in the years indicated:—

20	May	1938	57.54%
		1939	52.48
		1940	51.80
		1941	50.29
		1942	49.80
30	March	1943	48.25

Real Estate Dept.
JOR/SS
26.3.43

40

EXHIBIT D-10 DE LA DEFENDERESSE A L'ENQUETE

Résumé et Groupement des Calculs.

10	Division Technique — Coût de remplacement 1939-1940	
	Item comprenant les frais d'architecte, les profits et les frais généraux d'entrepreneurs et sous-entrepreneurs.	
	Charpente et squelette	\$ 4,918,102.07
	Creusage	582,695.50
	Fondations	214,132.78
	Murs extérieurs	2,971,174.34
20	“ “ décorations (y compris colonnes, etc.)	2,405,398.77
	Ouvertures extérieures	160,297.22
	Couvertures	44,118.24
	Plomberie (rough)	92,991.56
	“ (fini)	174,969.53
	Chauffage	953,268.01
	Escaliers	109,606.66
	Divisions intérieures et fini intérieur	1,382,717.09
	Ouvertures intérieures	72,282.90
30	Ascenseurs et monte-charges	1,056,856.00
	Plafonds	386,307.93
	Electricité	778,920.80
	Réfrigération	57,889.68
	Ventilation et air conditionné	854,014.99
	Sprinkler & Fire protection	42,376.26
	Voûtes	257,396.52
	Décorations intérieures	353,089.02
	Plancher	701,216.08
40	Lanterneaux	23,479.58
	Nettoyeur par le vide	83,516.30
	Chutes à lettres	5,869.90
	Réservoirs	3,295.93
	Système de pneumatiques	15,694.91
	Balustrade en bronze	3,923.73
	Balustrade en tuyaux	513.23
	Total	<u>\$18,706,115.53</u>

JAEC/LL

PLAINTIFF'S EXHIBIT P-23 AT ENQUETE

Statement of expenses incurred during the year 1941.

SUN LIFE BUILDING

Operating Expenses for Year 1941.

Salaries & Management Fees (\$21,541.51 charged in accounts)....		\$48,204.00
Wages: Cleaners & Janitors	\$99,858.37	
Painters	15,583.03	
Elevator Operators)		
Elevator Mechanics)	41,552.39	
Hall porters & Watchmen)		
Plant operation - Engineers, firemen, etc.....	22,543.73	
Maintenance - Electricians, carpenters, plumbers, etc.	13,791.55	
		<u>193,329.07</u>
Materials: Janitors' supplies	\$15,238.67	
Painters' materials	3,461.04	
Elevator parts & supplies	4,847.85	
Plant & mechanical supplies ..	10,565.41	
Maintenance supplies	7,077.87	
Washroom supplies	7,800.00	
		<u>48,990.84</u>
(\$51,617.40 charged in accounts less)		
(\$ 2,626.56 miscellaneous items)		
Fuel: Net cost of fuel consumed		38,976.75
Electricity: Apportioned charges:—		
Elevator Power	\$ 7,749.29	
Other Power	30,863.84	
Lighting (net)	19,413.76	
		<u>58,026.89</u>
Alterations & Repairs		37,163.39
Insurance — (average annual premium \$2,539.04)		601.30
Taxes other than Municipal Taxes		2,117.48
Miscellaneous		9,582.92
Main items—Staff Assurance	\$ 3,092.20	
Uniforms	1,050.00	
Sales Tax	1,001.56	
Dom. Elect. Protection	260.00	
Unempl. Insurance	1,376.93	
Telephones	434.10	
Water Coolers	634.20	
		<u>\$436,992.64</u>
Reconciliation:—		
Total charged to Rents Expenditure per Govt. statement	\$715,696.87	
less Municipal Taxes	\$305,366.72	
plus Supervision salaries not charged	26,662.49	
	<u>278,704.23</u>	
		<u>\$436,992.64</u>

JOR/MG

10-3-43. Real Estate/Sun Life.

DEFENDANT'S EXHIBIT D-48 AT ENQUETE

Analysis of Operating Expenses — Year 1941. (Schedule "F")
Signed by M. H. McAulane.

10

SALARIES & MANAGEMENT FEES.

Clerical Staff (2 chief clerks)
(5 men)
(5 girls) \$21,542.00

Mechanical Staff & Office Assistants:

20 (1 chief clerk)
(4 men)
(3 girls) 12,713.50

2 Officers & 1 secretary (part) 13,948.50 \$48,204.00
Architectural Dept. (part) 13,948.50

WAGES.

30 Decorating 15,583.03
Electrical 3,259.83
Other tradesmen 8,959.24
Cleaning (night cleaners & day janitors) 99,858.37
Plant operation 22,543.73
Traffic & Guard 41,552.39
Garage attendant 1,572.48 193,329.07

CLEANING SUPPLIES

Janitors & night cleaners' supplies 15,238.67

40

LIGHTING COST

M.L.H. & P. bills less credit from tenants and less
power & elevator power costs19,170.64

FUEL COST

Coal bills less credit from Loews Theatre
(\$2,908.00) 38,976.75

POWER COST (excluding elevators)

Proportion of M.L.H. & P. bills for power used as recorded in Daily Plant reports 31,106.96

PLANT & MECHANICAL SUPPLIES.

10

All materials and supplies for boiler room, mechanical equipment, plumbing, heating, ventilation and refrigeration 10,565.41

ELEVATOR POWER.

Proportion of M.L.H. & P. bill for elevator operation as recorded in daily plant reports. 7,749.29

20 ELEVATOR SUPPLIES.

Cables, elevator maintenance supplies, uniforms, etc. 4,847.85

DECORATING.

Net cost of all painters' supplies. 3,461.04

MAINTENANCE SUPPLIES.

30

Electricians, carpenters and maintenance men's materials & supplies, including garage. 7,077.87

ALTERATIONS AND REPAIRS.

Total of all work charged to Alterations and Repairs, both by contract and by our staff. 37,163.39

MISCELLANEOUS.

40

All miscellaneous expenses, washroom supplies etc. 17,382.92

INSURANCE 601.30

TAXES 307,484.20

742,359.36

JOR/MG
Real Estate Dept.
Sept. 30/42.

H. McAuslane.

EXHIBIT D-25 DE LA DEFENDERESSE A L'ENQUETE

Détail des superficies de planchers Dominion Square Building.

10

(Inspection de E. Tassé)

	Rez-de-chaussée	40545 pds. car.
	1er étage (Mezzanine)	39337 " "
	2e "	40102 " "
	3e "	38272 " "
20	4e "	38272 " "
	5e "	38272 " "
	6e "	38272 " "
	7e "	38272 " "
	8e "	36571 " "
30	9e "	36571 " "
	10e "	10725 " "
	11e "	10725 " "
	Total	405936 pds. car.

40

EXHIBIT D-49 DE LA DEFENDERESSE A L'ENQUETE

*Comparaison entre les cubages de 9 bâtisses
pour corriger l'exhibit D-25*

10 COMPARAISON ENTRE LES CUBAGES DE 9 BATISSES
pour corriger l'exhibit D.25

EDIFICES	CUBAGES
Themis	864,940 pds. cu.
Crescent	509,958 " "
University Tower	2,899,459 " "
Drummond	2,229,436 " "
Insurance Exchange	2,978,101 " "
Dominion Square	6,741,985 " " au lieu de 7,035,270 pds. cu.
20 Canada Cement	2,676,290 " "
Transportation	2,318,855 " "
Medico Dental	614,064 " "
<hr/>	
Total	21,833,088 pds. cu. au lieu de 22,126,373 pds. cu.

EXHIBIT D-50 DE LA DEFENDERESSE A L'ENQUETE

Superficie de planchers corrigées Dominion Square Building.

30 DETAILS DES SUPERFICIES DE PLANCHERS
DOMINION SQUARE BUILDING
pour corriger et remplacer l'exhibit D.24

ETAGES	SUPERFICIES DE PLANCHERS
R. de chaussée	40545 pds. car.
1er étage (Mezzanine)	37273 " "
2e " "	37899 " "
3e " "	34933 " "
40 4e " "	34933 " "
5e " "	34933 " "
6e " "	34933 " "
7e " "	34933 " "
8e " "	33085 " "
9e " "	33085 " "
10e " "	10725 " "
11e " "	10725 " "
<hr/>	
Total	378002 " "

DEFENDANT'S EXHIBIT D-51 AT ENQUETE

*Comparison of gross floor areas.
Dominion Square Building.*

10

COMPARISON OF GROSS FLOOR AREAS, OUTSIDE DIMENSIONS
AND NET RENTABLE AREAS — GROUND FLOOR TO 12th FLOOR

	GROSS FLOOR AREAS estimated by Technical Service Dept. City of Montreal	NET RENTABLE AREAS as declared to City of Montreal by the Managers of Dominion Square Building	
20			
	Ground floor	40,545	27,064
	Mezzanine	37,273	23,969
	3rd floor	37,899)	
	4th "	34,933)	
	5th "	34,933)	
	6th "	34,933)	
	7th "	34,933)	
	8th "	34,933)	
30	9th "	33,085)	
	10th "	33,085)	213,718
	11th "	10,725)	
	12th "	10,725)	12,200
		<hr/> 378,002 sq. ft.	<hr/> 276,951 sq. ft.

The net rentable area is equal to 73.3% of gross area.

40 Prepared by G. Desaulniers and H. Mills.

PLAINTIFF'S EXHIBIT P-50 AT ENQUETE

Letter from Mr. A. E. Hulse, to Secretary of Sun Life Ass. Co.

10 ASSESSORS DEPARTMENT
City Hall

A. E. HULSE,
Chief Assessor

Montreal, April 5, 1941.

The Secretary,
Sun Life Assurance Co. of Canada,
Head Office,
Montreal.

20 Dear Sir:

In conformity with the provisions of Article 378 of the City Charter as replaced by section 13 of the Act 2 Geo. VI, chapter 105, I would be glad if you would let me know, for the information of this Department, the total cost to date of the Head Office Building of the Sun Life Assurance Co. of Canada; also let me know separately what amount is included in such total cost for

- 30
- a) The cost of the sidewalk.
 - b) The cost of temporary partitions necessitated through occupancy by your Staff during construction.
 - c) The value of the wall of the then existing building which had to be demolished to permit the old and new building to become one building.

40 Yours truly,

A. E. HULSE,
Chief Assessor.

AEH:DB
Registered.

Sun Life
Main Building

CITÉ DE **MONTREAL**
CITY OF

FEUILLE DES ESTIMATIONS
VALUATION SHEET

140896

NO DE COMPTE.....
NO. OF ACCOUNT.....

See Acc. 140942

1.- **PRIX UNITAIRES**
UNIT PRICES

Terrain..... See Plan Superficie..... 91,335²
Land..... Area.....

9.00 Dorchester
6.00 Mansfield
7.00 Metcalfe

Taux unitaires de valeur au pied carré, tel que déterminé par le Comité d'estimateurs \$.....
Unit rate of value per square foot, as determined by the Committee of Assessors

Prix déterminé par le Service Technique suivant le taux unitaire établi par le Comité d'estimateurs:— 730,600
Price determined by the Technical Service according to the unit rate established by the Committee of Assessors

3 au pied carré \$..... Total \$.....
per square foot

Bâtiment: Commercial Groupe No. 1 1
Building: Commercial Group No. 1 1

Catégorie..... Classe..... Type.....
Category..... Class..... 1941

Coût de reconstruction, moins la dépréciation, mais y compris les dépendances, jusqu'en..... \$..... Total \$.....
Cost of reconstruction, less depreciation, but including outbuildings, up to

Net 21,951,701 Partly finished

Cubage { Conventionnel..... Prix au pied cube \$ 0.853 Total \$ 18,706,115
Conventional..... Price per cubic foot

2.- **ESTIMATION SELON LA VALEUR LOCATIVE ANNUELLE**
VALUATION ACCORDING TO ANNUAL RENTAL VALUE

Commercial Value. 187,225

Based on an estimate of revenue made from information supplied by Sun Life and an estimate of the value of the occupied, vacant and unfinished space.

Revenu réel \$.....
Real revenue

Valeur locative \$.....
Rental value

capitalisée à raison de 15 % \$.....
capitalized at the rate of

Estimation selon la valeur locative: \$.....
Valuation according to rental value:

3.- **PRIX DE VENTE DE CETTE PROPRIÉTÉ**
SALE PRICE OF THIS PROPERTY

Date..... \$.....

4.- **MONTANT DE L'HYPOTHÈQUE**
AMOUNT OF MORTGAGE

Première \$.....
First

Deuxième Total \$.....
Second

5.- **AUTRES RENSEIGNEMENTS**
OTHER INFORMATION

Tous autres renseignements tels que offres de vente ou d'achat, expropriations, règlements de succession, vente par voie de licitation, décisions des tribunaux ou du bureau de révision des estimations, etc., de nature à indiquer la valeur de la propriété

6.- **VALEUR DE CETTE PROPRIÉTÉ PORTÉE DANS UN PROSPECTUS OU INSCRITE DANS LES LIVRES DU PROPRIÉTAIRE**
VALUE OF THIS PROPERTY ENTERED IN A PROSPECTUS OR IN THE OWNER'S BOOKS

Date..... \$.....

7.-

**PRIX DE VENTE DE PROPRIÉTÉS SEMBLABLES
SALE PRICE OF SIMILAR PROPERTIES**

Nos de cadastre.....original.....subd.
Cadastral Nos.:
No de maison:.....rue.....street
House No.:
Date.....

8.- For Account 140896

**COÛT INITIAL DE CONSTRUCTION DU BÂTIMENT
ORIGINAL COST OF CONSTRUCTION OF BUILDING**

Date. April 30th 1941 \$ 20,627,873.92
Renseignements donnés par: Sun Life
Information given by:

9.-

**ASSURANCES
INSURANCE**

Date..... \$.....

10.-

**ÉVALUATION DES ESTIMATEURS
ASSESSORS' VALUATION**

Terrain: 91,335² au pied carré \$ 8.00 Total \$ 730,600
Land: per square foot
Bâtiment: \$ 13,024,900
Building:
Total \$ 13,755,500

Total		REMARQUES REMARKS	Total
1941 Replacement costs	\$14,404,578	Technical Service Replacement	\$16,795,560
as taken by the assessor		Book value	\$16,644,571.59
Commercial value	\$ 7,915,000	Market value	16,644,571.59
do.		Historic cost	22,377,769.26
allowing 90% Replacement		(Supplied by Sun Life for Acc. 140896	
10% Commercial		and for Acc. 140942).	
1941 Total Assessment,	\$13,755.620		

March 6th 1943.
Date.....

G. E. Vernot
Edward J. Lynch.
Estimateurs — Assessors

**DÉCISION DU BUREAU DE RÉVISION DES ESTIMATIONS
DECISION OF BOARD OF REVISION OF VALUATIONS**

Date de l'audition:
Date heard:

Date de la décision:
Date decision rendered:

Président — President

PROCEDURE

Le Bureau de Revision des Estimations, en vertu des pouvoirs qui lui sont conférés par la Charte de la Cité de Montréal, a donné au Chef Estimateur les instructions suivantes sur la façon selon laquelle les estimateurs doivent procéder à leur travail:—

1. TERRAINS:—En ce qui concerne les prix unitaires des terrains, le Chef Estimateur nommera cinq comités d'estimateurs formés à même le personnel des estimateurs. Chaque comité se réunira sous la présidence d'un de ses membres désigné par le Chef Estimateur et déterminera les taux unitaires de la valeur des terrains de sept quartiers lesquels formeront un arrondissement qui sera du ressort de chacun. Ces taux unitaires de la valeur seront indiqués sur le plan spécial de quartier tel qu'il existe déjà, et cette carte portera un numéro auquel référeront les fiches entre les mains des estimateurs. En cas de divergence de vues au sein d'un comité, l'avis de la majorité l'emportera. Le Chef Estimateur pourra assister aux séances des différents comités et donner son avis. Le Chef Estimateur verra à coordonner le travail des cinq comités et à ce que ceux-ci se consultent les uns les autres lorsqu'il y aura lieu de le faire en vue d'assurer l'uniformité dans la détermination des prix unitaires.

Un comité de coordination du travail en cours, composé des présidents des cinq comités mentionnés plus haut, et présidé par le Chef Estimateur, sera formé d'ailleurs en vue d'assurer cette coordination.

Le prix au pied carré sera calculé pour chaque terrain par le Service Technique, suivant les taux unitaires de valeur établis par les comités d'estimateurs, en tenant compte, même pour les propriétés résidentielles, des tables de profondeur et d'influence d'encoignure ainsi que des autres facteurs mentionnés dans le "Manuel d'Estimation des Biens-Fonds".

Cependant, dans certains cas exceptionnels, tels que groupements, irrégularités, diminution d'utilité due à la configuration ou au caractère du terrain, où l'application stricte des règles de profondeur et d'influence d'encoignure donnerait lieu à une évaluation injuste en plus ou en moins, il appartiendra à l'estimateur d'user de son jugement pour ramener le chiffre final à une évaluation adéquate.

2. BÂTIMENTS:—Les prix unitaires, le coût de reconstruction et le pourcentage de dépréciation annuelle des bâtiments sont établis par le Service Technique, de la façon suivante:—

a) La classification des bâtiments déjà en vigueur continue de s'appliquer à tous les bâtiments, quelle que soit leur date de construction; b) Les bâtiments seront divisés en trois nouveaux groupes:—

1. Les habitations domiciliaires ou semi commerciales qui sont imposables et qui ont été construites avant l'année 1915; 2. Tous les bâtiments non assujettis à l'impôt foncier ordinaire; 3. Tous les autres bâtiments.

Les habitations des premier et deuxième groupes seront classifiées par catégories, classes et types, selon le système déjà en vigueur, avec subdivisions que l'on jugera à propos d'y ajouter, et un prix, au pied cube seulement, de chaque type de bâtiment, sera déterminé.

Le coût de reconstruction d'un bâtiment en particulier sera fixé à raison de son cubage et du prix au pied cube déjà déterminé pour le type de construction qui lui est propre.

Le cubage des bâtiments et la détermination de la catégorie et du type dans lesquels ils doivent être classés, l'entrée des chiffres de cubage sur la fiche permanente, seront faits par le Service Technique et les estimateurs quand ces derniers seront disponibles. Pour que le travail puisse être accompli dans un délai raisonnable, nous recommandons l'engagement immédiat d'employés surnuméraires dont le nombre et les fonctions seront déterminés par le Chef Estimateur.

L'estimation du coût net de remplacement des bâtiments de troisième groupe se continuera comme elle se poursuit présentement.

3. FICHES PERMANENTES:—Elles seront de deux sortes: les cartes jaunes actuellement en usage serviront aux propriétés du troisième groupe; les cartes de couleur azur serviront aux propriétés des premier et deuxième groupes. Ces cartes sont permanentes et doivent être remplies pour toutes les propriétés de façon que chaque immeuble ait la sienne.

Les fiches de même que les feuilles des estimateurs, seront remplies par les commis attachés à chaque groupe de deux estimateurs ou, si le Chef Estimateur le juge à propos, par d'autres commis à être nommés.

Les estimateurs reçoivent leurs fiches et, le cas échéant, les feuilles d'estimation dûment remplies, sauf relativement aux espaces réservés à l'estimation selon la valeur locative annuelle, à l'évaluation des estimateurs, et aux remarques, lesquels sont remplis par les estimateurs eux-mêmes.

PROCEDURE

The following instructions on the manner in which the Assessors shall proceed with their work, have been given to the Chief Assessor, by the Board of Revision of Valuations, in virtue of the powers conferred on it by the Charter of the City of Montreal:—

1. LAND:—Regarding the land unit prices, the Chief Assessor will name five committees of valuers formed amongst the Assessors; each committee will meet under the presidency of one of its members designated by the Chief Assessor and will determine the unit prices of the value of lands in seven wards which will form a district and which will be the responsibility of each. These unit prices will be indicated on special ward plans, already existing, and these plans will bear a number which will refer to cards in the hands of the Assessors. In case of any difference of opinion amongst the members of any committee, the opinion of the majority shall prevail. The Chief Assessor may attend the meetings of the different committees and give his opinion. He will also see that the work of the five committees is coordinated and that they consult each other when necessary in order to ensure uniformity in the unit prices determined.

A committee of coordination of the work in hand, composed of the presidents of the five committees above-mentioned and presided over by the Chief Assessor, will be formed with a view to securing this coordination.

The price per square foot will be calculated for each lot by the Technical Service, according to the unit prices established by the Committees mentioned and taking into account, even for residential properties, the depth and corner influence tables, as well as other rules mentioned in the Real Estate Valuation Manual.

However, in certain exceptional cases, such as plottage, irregular lots, loss of utility due to the shape or the character of the land, where the strict application of the depth and corner rules mentioned would occasion an unjust valuation either more or less, it will belong to the assessor to use his judgment to bring the final figure to a correct valuation.

2. BUILDINGS:—The unit prices, the cost of reconstruction and the percentage of annual depreciation of buildings are established by the Technical Service in the following manner:—

a) The classification already in force for buildings will continue to apply to all buildings, no matter what their date of construction; b) The buildings will be divided in three new groups:—

1. Residential properties or semi-commercial properties (stores and dwellings) which are taxable and which were constructed before the year 1915; 2. All buildings exempt from the ordinary municipal tax; 3. All other buildings.

The buildings of the first and second groups will be classified by categories, classes and types, according to the system already in force, with such subdivisions as is deemed proper to add, and a price, per cubic foot only, will be determined for each type of building.

The reconstruction cost of any particular building will be fixed following its cubic content and the price per cubic foot already determined for the type of construction to which it belongs.

The cubing of buildings, the determination of the category and type in which they should be classified, and the entry of the cubage figures on the permanent cards will be made by the Technical Service and the Assessors when the latter are available. In order that the work may be accomplished within a reasonable delay, we recommend the immediate engagement of additional temporary employees of which the number and the duties will be determined by the Chief Assessor.

The estimation of the net replacement cost of buildings in the third group will continue as at present.

3. PERMANENT CARDS:—These will be of two kinds. The yellow cards actually in use will serve for the properties of the third group. The azure cards will serve for the properties of the first and second groups. These cards are permanent and should be filled for all the properties so that each immovable has its own.

The cards as well as the valuation sheets will be filled in by the clerks attached to each group of two assessors or if the Chief Assessor finds it necessary, by other clerks to be named.

The assessors receive their cards and, as the case may be, the valuation sheets duly filled in, except for the spaces reserved for the valuation according to the annual rental value, for the valuation of the assessors and for the remarks. These three spaces are filled in by the assessors themselves.

4. ÉVALUATION:—Les estimateurs complètent la fiche permanente en y inscrivant le chiffre de l'évaluation. Il leur appartient de décider si ce chiffre doit être modifié à cause de la dépréciation et de tenir compte des autres facteurs affectant la valeur de la propriété tel que prévu par la Charte. S'ils arrivent ainsi à un chiffre d'évaluation différant de celui représentant la valeur intrinsèque ou de remplacement après déduction de la dépréciation normale, ils devront indiquer sommairement la raison de leur évaluation et initier leur entrée sur la fiche permanente.

Tout le travail d'évaluation se divise donc en deux opérations bien définies: — a) L'obtention et la réunion des renseignements de faits par les estimateurs et le Service Technique; b) L'évaluation définitive, par les estimateurs, en possession de ces renseignements et données que contiendra chacune des fiches permanentes.

L'organisation nécessaire à la préparation des fiches, à leur distribution au Service Technique puis aux estimateurs et à leur classement une fois complétées, est confiée à l'initiative du Chef Estimateur.

5. FEUILLES D'ESTIMATION:—Les feuilles d'estimation sont remplies, selon la formule indiquée plus bas, dans tous les cas de contestation d'une évaluation, pour l'usage du Bureau de Révision et des tribunaux supérieurs, ou chaque fois que ce Bureau en fait la demande. Elles peuvent l'être en outre au gré du Chef Estimateur ou des estimateurs.

Relativement aux inscriptions à être faites sur les feuilles des estimateurs, dans l'espace numéro 1 réservé aux prix unitaires, il convient de préciser que dans le cas des propriétés incluses plus haut dans le groupe numéro 3, le coût de reconstruction du bâtiment doit être inscrit tel que spécifié, ainsi que le prix au pied cube d'après le prix total en premier lieu déterminé.

Dans le cas des bâtiments des groupes numéros 1 et 2, le prix au pied cube seulement sera inscrit, avec le groupement, la catégorie, la classe, le type et le cubage du bâtiment concerné. Le prix global au pied cube devra être reporté ensuite à l'espace réservé pour l'inscription du coût total du bâtiment.

6. UTILITÉS PUBLIQUES:—Le Service Technique préparera des formules d'estimation relatives aux entreprises d'utilité publique, comme les chemins de fer, les tramways, les entreprises de gaz, d'électricité et de téléphone ou de télégraphe, et autres. Dès que ces formules auront été soumises au Bureau de Révision des Estimations et que ce dernier les aura approuvées, le Chef Estimateur pourra procéder ou recommander qu'il soit procédé aux estimations de ces propriétés.

4. VALUATION:—The assessors complete the permanent card by inscribing thereon the valuation figures. It belongs to them to decide if the figure should be modified by reason of depreciation and by taking into account other factors affecting the valuation of the property, as provided by the Charter. If they thus arrive at a valuation figure different from that representing the intrinsic value or the replacement cost after deduction of the normal depreciation, they should indicate briefly the reason of their valuation and initial the entry on the permanent card.

The work of valuation divides itself in two definite operations: — a) Securing and uniting all information and data obtained by the assessors and the Technical Service; b) The definitive valuation by the assessors who are in possession of the information and data shown on each permanent card.

The necessary organization in the preparation of the cards, in their distribution to the Technical Service and then to the assessors and in their filing once completed, is entrusted to the initiative of the Chief Assessor.

5. VALUATION SHEETS:—The valuation sheets are filled in according to the formula indicated below, in every case of contestation of a valuation, for the use of the Board of Revision and of the Superior Court or for each case for which a request is made by the Board of Revision. They may also be made, at the wish of the Chief Assessor or of the assessors.

Relating to the inscriptions to be made on the valuation sheets in space No. 1 reserved for unit prices, it is understood that in all cases of properties included in group No. 3, the cost of reconstruction of the building should be inscribed as specified, also the price per cubic foot according to the total price determined in the first place.

In the case of buildings belonging to groups 1 and 2, the cubic price only will be inscribed showing the group, the category, the class, the type and the cubic content of the building concerned. The total price on the cubic foot basis should be shown afterwards in the space reserved for the inscription of the total cost of the building.

6. PUBLIC UTILITIES:—The Technical Service will prepare valuation forms relative to the enterprises of public utility, such as railroads, tramways, gas, electricity and telephone or telegraph enterprises, and others. As soon as these forms have been submitted to the Board of Revision of Valuations and approved by them, the Chief Assessor may proceed in making the valuation of these properties or recommend that this be done.

DEFENDANT'S EXHIBIT D-2 AT ENQUETE

Sun Life Head Office Building — Assessor's Notes.

10 Total cost as reported by the Company as at April 30th, 1941 \$22,377,769.26

LESS:

Power House Bldg, & Equipment	709,257.14
Land for Head Office & Power House	1,040,638.20
Cost of Sidewalk	70,335.00
Cost of temporary partitions during construction	233,713.38
Cost of parts demolished to connect up to new building.	1,215,450.00

20 3,269,393.72

Reported cost of Head Office Building, without land \$19,108,375.54

Cost..... \$19,108,375.

To adjust cost to 1941 figure, 1927 to 1930 most money spent

1927	113.6 index figure
1928	115.9
1929	120.3
1930	117.1

30

466.9

Divide by 4 — 116.7

1941 figure 109.0

Difference 7.7

\$ 1,471,344.

40

\$17,637,031.

Less 5% allowance for presumed extra cost as building erected in 3 units

881,851.

\$16,755,180.

DEPRECIATION

	Assessed value of 1st two corner buildings —	\$2,176,000.		
	Less allowed for portions demolished	\$1,215,000.		
10		<u>\$ 961,000.</u>		
	Say 25% depreciation		\$240,250.	16 years—
	Total as above	\$16,755,180.		
	Less	<u>961,000.</u>		
		\$15,794,180.		
	Less about 15 yrs. depn. say 18%		\$2,840,952.	
				\$ 3,081,202.
20	Net cost 1941 of building after depreciation			\$13,673,978.
	Add value of land			730,000.
				<u>\$14,404,578.</u>

The total revenue of the property is \$1,187,225, which calculated on a 15% capitalization rate gives an economic value of \$7,915,000.

VALUATION

30	REPLACEMENT	90% of \$14,404,578.	—	\$12,964,120.
	REVENUE	10% of capitalized value of \$7,915,000.	—	\$ 791,500.
				<u>\$13,755,620.</u>
			say	\$13,755,500.
			Less Land	730,600.
40			Building	<u>\$13,024,900.</u>

Sun Life
Power House.

FEUILLE DES ESTIMATIONS
VALUATION SHEET

NO DE COMPTE... 140942
NO. OF ACCOUNT

1.- 77 x 117.36 9009 PRIX UNITAIRES
UNIT PRICES See acc. 140986

Terrain.....Superficie..... 6.00 Cathcart
Land Area 6.00 Mansfield

Taux unitaires de valeur au pied carré, tel que déterminé par le Comité d'estimateurs \$.....
Unit rate of value per square foot, as determined by the Committee of Assessors

Prix déterminé par le Service Technique suivant le taux unitaire établi par le Comité d'estimateurs:—
Price determined by the Technical Service according to the unit rate established by the Committee of Assessors

Corner Inf. Inc. au pied carré \$ 8,225 Total \$ 74,100
per square foot

Bâtiment:.....Groupe No..... For structure only not 9,300 Tunnel
Building: Group No. including some taxable items 240,000 Power House

Catégorie.....Classe.....2.....Type.....2..... 1941 323,400
Category Class

Coût de reconstruction, moins la dépréciation, mais y compris les dépendances, jusqu'en..... \$..... Total \$.....
Cost of reconstruction, less depreciation, but including outbuildings, up to .533 283,360

Net Tunnel 18,150 .605 10,980

Cubage { Conventionnel Prix au pied cube \$..... Total \$.....
Conventional Price per cubic foot \$294,340

2.- ESTIMATION SELON LA VALEUR LOCATIVE ANNUELLE
VALUATION ACCORDING TO ANNUAL RENTAL VALUE

Revenu réel \$.....
Real revenue

Valeur locative \$.....
Rental value

“ “ capitalisée à raison de %..... \$.....
“ “ capitalized at the rate of

Estimation selon la valeur locative: \$.....
Valuation according to rental value:

3.- PRIX DE VENTE DE CETTE PROPRIÉTÉ
SALE PRICE OF THIS PROPERTY

Date..... \$.....

4.- MONTANT DE L'HYPOTHÈQUE
AMOUNT OF MORTGAGE

Première \$.....
First

Deuxième \$..... Total \$.....
Second

5.- AUTRES RENSEIGNEMENTS
OTHER INFORMATION

Tous autres renseignements tels que offres de vente ou d'achat, expropriations, règlements de succession, vente par voie de
Any other data such as offers of sale or purchase, expropriations, settlement of estates, sales by

licitation, décisions des tribunaux ou du bureau de révision des estimations, etc., de nature à indiquer la valeur de la propriété
licitation, decisions of the courts or of the Board of Revision of Valuations, etc., of a nature to show the value of the property

Date.....

6.- VALEUR DE CETTE PROPRIÉTÉ PORTÉE DANS UN PROSPECTUS OU INSCRITE DANS LES LIVRES DU PROPRIÉTAIRE
VALUE OF THIS PROPERTY ENTERED IN A PROSPECTUS OR IN THE OWNER'S BOOKS

Date..... \$.....

7.-

**PRIX DE VENTE DE PROPRIÉTÉS SEMBLABLES
SALE PRICE OF SIMILAR PROPERTIES**

Nos de cadastre.....original.....subd.
Cadastral Nos.:

No de maison:.....rue.....street
House No.:

Date.....

8.-

**COÛT INITIAL DE CONSTRUCTION DU BÂTIMENT
ORIGINAL COST OF CONSTRUCTION OF BUILDING**

Date June 10th 1941 \$ 709,257.14

Renseignements donnés par: Sun Life
Information given by:

9.-

**ASSURANCES
INSURANCE**

Date..... \$.....

10.-

**ÉVALUATION DES ESTIMATEURS
ASSESSORS' VALUATION**

Terrain:.....	9009	au pied carré	\$ 8.225	Total \$	74,100
Land:		<i>per square foot</i>			
Bâtiment:	Building & Equipment			\$	446,400
Building:				Total \$	520,500

**REMARQUES
REMARKS**

Land	\$ 74,100
Buiding	296,702
Equipment	149,672
	<hr/>
	\$520,474

Date..... March 6th 1943

.....
G. E. Vernot

.....
Edward J. Lynch

Estimateurs — Assessors

**DÉCISION DU BUREAU DE RÉVISION DES ESTIMATIONS
DECISION OF BOARD OF REVISION OF VALUATIONS**

Date de l'audition:
Date heard:

Date de la décision:
Date decision rendered:

.....
Président — President

PROCEDURE

Le Bureau de Revision des Estimations, en vertu des pouvoirs qui lui sont conférés par la Charte de la Cité de Montréal, a donné au Chef Estimateur les instructions suivantes sur la façon selon laquelle les estimateurs doivent procéder à leur travail:—

1. TERRAINS:—En ce qui concerne les prix unitaires des terrains, le Chef Estimateur nommera cinq comités d'estimateurs formés à même le personnel des estimateurs. Chaque comité se réunira sous la présidence d'un de ses membres désigné par le Chef Estimateur et déterminera les taux unitaires de la valeur des terrains de sept quartiers lesquels formeront un arrondissement qui sera du ressort de chacun. Ces taux unitaires de la valeur seront indiqués sur le plan spécial de quartier tel qu'il existe déjà, et cette carte portera un numéro auquel référeront les fiches entre les mains des estimateurs. En cas de divergence de vues au sein d'un comité, l'avis de la majorité l'emportera. Le Chef Estimateur pourra assister aux séances des différents comités et donner son avis. Le Chef Estimateur verra à coordonner le travail des cinq comités et à ce que ceux-ci se consultent les uns les autres lorsqu'il y aura lieu de le faire en vue d'assurer l'uniformité dans la détermination des prix unitaires.

Un comité de coordination du travail en cours, composé des présidents des cinq comités mentionnés plus haut, et présidé par le Chef Estimateur, sera formé d'ailleurs en vue d'assurer cette coordination.

Le prix au pied carré sera calculé pour chaque terrain par le Service Technique, suivant les taux unitaires de valeur établis par les comités d'estimateurs, en tenant compte, même pour les propriétés résidentielles, des tables de profondeur et d'influence d'encoignure ainsi que des autres facteurs mentionnés dans le "Manuel d'Estimation des Biens-Fonds".

Cependant, dans certains cas exceptionnels, tels que groupements, irrégularités, diminution d'utilité due à la configuration ou au caractère du terrain, où l'application stricte des règles de profondeur et d'influence d'encoignure donnerait lieu à une évaluation injuste en plus ou en moins, il appartiendra à l'estimateur d'user de son jugement pour ramener le chiffre final à une évaluation adéquate.

2. BÂTIMENTS:—Les prix unitaires, le coût de reconstruction et le pourcentage de dépréciation annuelle des bâtiments sont établis par le Service Technique, de la façon suivante:—

a) La classification des bâtiments déjà en vigueur continue de s'appliquer à tous les bâtiments, quelle que soit leur date de construction; b) Les bâtiments seront divisés en trois nouveaux groupes:—

1. Les habitations domiciliaires ou semi commerciales qui sont imposables et qui ont été construites avant l'année 1915; 2. Tous les bâtiments non assujettis à l'impôt foncier ordinaire; 3. Tous les autres bâtiments.

Les habitations des premier et deuxième groupes seront classifiées par catégories, classes et types, selon le système déjà en vigueur, avec subdivisions que l'on jugera à propos d'y ajouter, et un prix, au pied cube seulement, de chaque type de bâtiment, sera déterminé.

Le coût de reconstruction d'un bâtiment en particulier sera fixé à raison de son cubage et du prix au pied cube déjà déterminé pour le type de construction qui lui est propre.

Le cubage des bâtiments et la détermination de la catégorie et du type dans lesquels ils doivent être classés, l'entrée des chiffres de cubage sur la fiche permanente, seront faits par le Service Technique et les estimateurs quand ces derniers seront disponibles. Pour que le travail puisse être accompli dans un délai raisonnable, nous recommandons l'engagement immédiat d'employés surnuméraires dont le nombre et les fonctions seront déterminés par le Chef Estimateur.

L'estimation du coût net de remplacement des bâtiments de troisième groupe se continuera comme elle se poursuit présentement.

3. FICHES PERMANENTES:—Elles seront de deux sortes: les cartes jaunes actuellement en usage serviront aux propriétés du troisième groupe; les cartes de couleur azur serviront aux propriétés des premier et deuxième groupes. Ces cartes sont permanentes et doivent être remplies pour toutes les propriétés de façon que chaque immeuble ait la sienne.

Les fiches de même que les feuilles des estimateurs, seront remplies par les commis attachés à chaque groupe de deux estimateurs ou, si le Chef Estimateur le juge à propos, par d'autres commis à être nommés.

Les estimateurs reçoivent leurs fiches et, le cas échéant, les feuilles d'estimation dûment remplies, sauf relativement aux espaces réservés à l'estimation selon la valeur locative annuelle, à l'évaluation des estimateurs, et aux remarques, lesquels sont remplis par les estimateurs eux-mêmes.

PROCEDURE

The following instructions on the manner in which the Assessors shall proceed with their work, have been given to the Chief Assessor, by the Board of Revision of Valuations, in virtue of the powers conferred on it by the Charter of the City of Montreal:—

1. LAND:—Regarding the land unit prices, the Chief Assessor will name five committees of valuers formed amongst the Assessors; each committee will meet under the presidency of one of its members designated by the Chief Assessor and will determine the unit prices of the value of lands in seven wards which will form a district and which will be the responsibility of each. These unit prices will be indicated on special ward plans, already existing, and those plans will bear a number which will refer to cards in the hands of the Assessors. In case of any difference of opinion amongst the members of any committee, the opinion of the majority shall prevail. The Chief Assessor may attend the meetings of the different committees and give his opinion. He will also see that the work of the five committees is coordinated and that they consult each other when necessary in order to ensure uniformity in the unit prices determined.

A committee of coordination of the work in hand, composed of the presidents of the five committees above-mentioned and presided over by the Chief Assessor, will be formed with a view to securing this coordination.

The price per square foot will be calculated for each lot by the Technical Service, according to the unit prices established by the Committees mentioned and taking into account, even for residential properties, the depth and corner influence tables, as well as other rules mentioned in the Real Estate Valuation Manual.

However, in certain exceptional cases, such as plottage, irregular lots, loss of utility due to the shape or the character of the land, where the strict application of the depth and corner rules mentioned would occasion an unjust valuation either more or less, it will belong to the assessor to use his judgment to bring the final figure to a correct valuation.

2. BUILDINGS:—The unit prices, the cost of reconstruction and the percentage of annual depreciation of buildings are established by the Technical Service in the following manner:—

a) The classification already in force for buildings will continue to apply to all buildings, no matter what their date of construction; b) The buildings will be divided in three new groups:—

1. Residential properties or semi-commercial properties (stores and dwellings) which are taxable and which were constructed before the year 1915; 2. All buildings exempt from the ordinary municipal tax; 3. All other buildings.

The buildings of the first and second groups will be classified by categories, classes and types, according to the system already in force, with such subdivisions as is deemed proper to add, and a price, per cubic foot only, will be determined for each type of building.

The reconstruction cost of any particular building will be fixed following its cubic content and the price per cubic foot already determined for the type of construction to which it belongs.

The cubing of buildings, the determination of the category and type in which they should be classified, and the entry of the cubage figures on the permanent cards will be made by the Technical Service and the Assessors when the latter are available. In order that the work may be accomplished within a reasonable delay, we recommend the immediate engagement of additional temporary employees of which the number and the duties will be determined by the Chief Assessor.

The estimation of the net replacement cost of buildings in the third group will continue as at present.

3. PERMANENT CARDS:—These will be of two kinds. The yellow cards actually in use will serve for the properties of the third group. The azure cards will serve for the properties of the first and second groups. These cards are permanent and should be filled for all the properties so that each immovable has its own.

The cards as well as the valuation sheets will be filled in by the clerks attached to each group of two assessors or if the Chief Assessor finds it necessary, by other clerks to be named.

The assessors receive their cards and, as the case may be, the valuation sheets duly filled in, except for the spaces reserved for the valuation according to the annual rental value, for the valuation of the assessors and for the remarks. These three spaces are filled in by the assessors themselves.

4. ÉVALUATION:—Les estimateurs complètent la fiche permanente en y inscrivant le chiffre de l'évaluation. Il leur appartient de décider si ce chiffre doit être modifié à cause de la dépréciation et de tenir compte des autres facteurs affectant la valeur de la propriété tel que prévu par la Charte. S'ils arrivent ainsi à un chiffre d'évaluation différant de celui représentant la valeur intrinsèque ou de remplacement après déduction de la dépréciation normale, ils devront indiquer sommairement la raison de leur évaluation et initialement leur entrée sur la fiche permanente.

Tout le travail d'évaluation se divise donc en deux opérations bien définies:— a) L'obtention et la réunion des renseignements de faits par les estimateurs et le Service Technique; b) L'évaluation définitive, par les estimateurs, en possession de ces renseignements et données que contiendra chacune des fiches permanentes.

L'organisation nécessaire à la préparation des fiches, à leur distribution au Service Technique puis aux estimateurs et à leur classement une fois complétées, est confiée à l'initiative du Chef Estimateur.

5. FEUILLES D'ESTIMATION:—Les feuilles d'estimation sont remplies, selon la formule indiquée plus bas, dans tous les cas de contestation d'une évaluation, pour l'usage du Bureau de Révision et des tribunaux supérieurs, ou chaque fois que ce Bureau en fait la demande. Elles peuvent l'être en outre au gré du Chef Estimateur ou des estimateurs.

Relativement aux inscriptions à être faites sur les feuilles des estimateurs, dans l'espace numéro 1 réservé aux prix unitaires, il convient de préciser que dans le cas des propriétés incluses plus haut dans le groupe numéro 3, le coût de reconstruction du bâtiment doit être inscrit tel que spécifié, ainsi que le prix au pied cube d'après le prix total en premier lieu déterminé.

Dans le cas des bâtiments des groupes numéros 1 et 2, le prix au pied cube seulement sera inscrit, avec le groupement, la catégorie, la classe, le type et le cubage du bâtiment concerné. Le prix global au pied cube devra être reporté ensuite à l'espace réservé pour l'inscription du coût total du bâtiment.

6. UTILITÉS PUBLIQUES:—Le Service Technique préparera des formules d'estimation relatives aux entreprises d'utilité publique, comme les chemins de fer, les tramways, les entreprises de gaz, d'électricité et de téléphone ou de télégraphe, et autres. Dès que ces formules auront été soumises au Bureau de Révision des Estimations et que ce dernier les aura approuvées, le Chef Estimateur pourra procéder ou recommander qu'il soit procédé aux estimations de ces propriétés.

4. VALUATION:—The assessors complete the permanent card by inscribing thereon the valuation figures. It belongs to them to decide if the figure should be modified by reason of depreciation and by taking into account other factors affecting the valuation of the property, as provided by the Charter. If they thus arrive at a valuation figure different from that representing the intrinsic value or the replacement cost after deduction of the normal depreciation, they should indicate briefly the reason of their valuation and initial the entry on the permanent card.

The work of valuation divides itself in two definite operations:— a) Securing and uniting all information and data obtained by the assessors and the Technical Service; b) The definitive valuation by the assessors who are in possession of the information and data shown on each permanent card.

The necessary organization in the preparation of the cards, in their distribution to the Technical Service and then to the assessors and in their filing once completed, is entrusted to the initiative of the Chief Assessor.

5. VALUATION SHEETS:—The valuation sheets are filled in according to the formula indicated below, in every case of contestation of a valuation, for the use of the Board of Revision and of the Superior Court or for each case for which a request is made by the Board of Revision. They may also be made, at the wish of the Chief Assessor or of the assessors.

Relating to the inscriptions to be made on the valuation sheets in space No. 1 reserved for unit prices, it is understood that in all cases of properties included in group No. 3, the cost of reconstruction of the building should be inscribed as specified, also the price per cubic foot according to the total price determined in the first place.

In the case of buildings belonging to groups 1 and 2, the cubic price only will be inscribed showing the group, the category, the class, the type and the cubic content of the building concerned. The total price on the cubic foot basis should be shown afterwards in the space reserved for the inscription of the total cost of the building.

6. PUBLIC UTILITIES:—The Technical Service will prepare valuation forms relative to the enterprises of public utility, such as railroads, tramways, gas, electricity and telephone or telegraph enterprises, and others. As soon as these forms have been submitted to the Board of Revision of Valuations and approved by them, the Chief Assessor may proceed in making the valuation of these properties or recommend that this be done.

PLAINTIFF'S EXHIBIT P-3 AT ENQUETE

Letter of Cost from Sun Life Building's to Mr. A. E. Hulse.

The Head Office of the
SUN LIFE ASSURANCE COMPANY OF CANADA
Montreal

10

Bureau ds Estimateurs — Montreal Juin 11, 1941 — REQU

June 10th, 1941.

Mr. A. E. Hulse,
Chief Assessor,
City Hall,
Montreal, P.Q.

Dear Sir:—

20

In answer to your letter of April 5th, addressed to the Secretary of this Company, I would advise you that the total gross cost before depreciation of our Head Office Building, as at April 30th, 1941, was \$22,377,769.26. This figure includes the power house building with a gross cost of \$709,257.14 and land for the Head Office Building power house, the cost of which totalled \$1,040,638.20, so that the total cost of Head Office Building, exclusive of land and power house, is \$20,627,873.92.

30 In answer to the other specific enquiries contained in your letter, the information is as follows:

- (a) The cost of the sidewalk was \$70,335.
- (b) The cost of temporary partitions required for occupancy by our staff during the construction period was \$233,713.38.
- (c) The value of the walls and floors demolished and the cost of demolishing to permit the old and new buildings to be blended into one building was a total of

40

I wish to emphasize that the figures given above are gross figures before depreciation and that they also include architectural features and embellishments and other items for large amounts which, in our opinion, are not taxable. On a revenue basis, which is one of the chief methods used to determine value for assessment purposes, the present assessment on our Building appears very high.

Faithfully yours,

H. McAuslane,
Inspector of Real Estate.

HMCA/WB.

PLAINTIFF'S EXHIBIT P-4 AT ENQUETE

Copy of page 197 of Real Estate Manual (Montreal)

TABLE OF STRUCTURAL DEPRECIATION

TABLE SHOWING THE PERCENTAGE OF DEPRECIATION FROM THE PRESENT COST OF RECONSTRUCTION OF BUILDINGS OF DIFFERENT TYPES.

Age in years	Wooden frame buildings	Brick encased or other encased buildings	Buildings of solid construction	Buildings of reinforced concrete or steel frame with solid construction	Age in years
Estimated life	40 years	60 years	75 years	100 years	
1	3.00%	2.5%	2.0%	1.5%	1
2	6.00	4.7	3.8	2.8	2
3	8.9	6.9	5.6	4.2	3
4	11.7	9.0	7.4	5.5	4
5	14.5	11.1	9.1	6.8	5
6	17.2	13.1	10.7	8.1	6
7	19.8	15.1	12.3	9.3	7
8	22.4	17.0	13.9	10.5	8
9	25.0	18.9	15.5	11.8	9
10	27.5	20.7	17.0	13.0	10
11	29.9	22.5	18.5	14.2	11
12	32.2	24.3	20.0	15.3	12
13	34.5	26.0	21.4	16.4	13
14	36.8	27.7	22.8	17.5	14
15	39.0	29.3	24.2	18.6	15
20	49.1	37.0	30.0	24.0	20
25	57.7	43.8	36.8	29.0	25
30	65.0	50.	42.4	33.6	30
35	70.7	55.6	47.5	38.0	35
40	75.0	60.6	52.2	42.1	40
45		65.0	56.5	46.0	45
50		68.9	60.5	49.6	50
55		72.3	64.1	53.0	55
60		75.	67.3	56.3	60
65			70.3	59.3	65
70			73.0	62.0	70
75			75.0	64.5	75
80				67.0	80
85				69.3	85
90				71.4	90
95				73.3	95
100				75.0	100

The above represents the estimated structural depreciation for a building kept in an ordinary state of repair. Buildings still in use are not depreciated more than 75% of the cost of present day reconstruction. Allowance for obsolescence is not included in the above schedule.

DEFENDANT'S EXHIBIT D-53 AT ENQUETE

Complete breakdown of cost of power house, Sun Life Bldg.

The Head Office of the

10 SUN LIFE ASSURANCE COMPANY OF CANADA
Montreal

October 2nd, 1941.

Bureau des Estimateurs — Montréal, Oct. 4, 1941 — Reçu

A. E. Hulse, Esq.,
Chief Assessor,
City of Montreal,
20 City Hall,
Montreal, P.Q.

Dear Mr. Hulse:—

In accordance with the request contained in your letter of September 24th, I am attaching list showing the various main disbursements for the Power House which totalled \$709,257.14.

30 I hope the form in which the list is prepared is sufficient for your purpose.

Faithfully yours,

Dict.
HMcA/WB.
Encl.

H. McAuslane,
Inspector of Real Estate.

COST OF POWER HOUSE, SUN LIFE BUILDING, MONTREAL

October 1, 1941.

	Demolition costs	\$ 311.20	
	Excavation (Cook & Leitch), earth	52,049.60	
	" (Verochio Construction), rock	62,135.00	
10	General Conditions (Insurance, permits, scaf- folds), etc.	12,184.09	
	Plain Concrete	29,492.14	
	Reinforced Concrete, including steel	72,332.42	
	Brickwork	17,867.20	
	Terra Cotta partitions	4,771.66	
	Carpentry	1,679.90	
	Plastering	82.40	
	Painting	885.91	
	Sundry work	9,794.76	
20	General Contractors' commission	11,962.63	\$275,548.91
	<hr/>		
	SUB-TRADES		
a.	Coal & Ash Handling Equipment, Bunkers, Truck Scales	\$34,687.80	
b.	Boilers & Stokers, inc. bricksetting) insulation	89,130.20	
c.	Instruments, Recorders & tubing for same	9,533.78	
d.	Piping in Power House & Tunnel	59,642.79	
e.	Pipe Covering	6,504.60	
30	f. Boiler Fans, forced and induced	13,065.00	
	g. Electrical installation	16,699.82	
	h. Pumps	3,115.25	
	i. Economizers on Boilers	24,239.66	
	j. Chimney Breeching and flues & ducts on boilers	12,131.00	
	k. Galleries and ladders around boilers & piping ...	6,013.00	
	l. Ventilation and ducts for same	4,199.00	
	m. Water Softening Plant	2,747.00	281,708.90
	<hr/>		
	n. Roofing	2,923.44	
40	o. Elevators	3,886.60	
	p. Tile	5,951.12	
	q. Garage Doors	391.85	
	r. Steel work	103,874.50	
	s. Sundries	6,428.82	
	<hr/>		
			\$680,714.14
	Fees paid to Consulting Engineers for Heating & Ventilating, Electrical and Structural work (no architect's fees)		28,543.00
	<hr/>		
			\$709,257.14
	<hr/>		

AJCP:W

A. J. C. Paine.

DEFENDANT'S EXHIBIT D-54 AT ENQUETE

List of Large Proprietor - Occupied Properties in Montreal showing the Percentage of the Assessed Annual Rental on the Property Valuation.

PROP. No.	NAME OF THE PROPRIETOR & ADDRESS OF THE PROPERTY	TOTAL VALUATION PROPERTY	TOTAL RENTAL ASSESSED	% OF VALUATION RENTAL ON
140854	Mount Royal Hotel 1441, Peel	4,000,000.	200,000.	5. %
140753	Windsor Hotel Ltd. 1160, Peel	2,240,800.	112,000.	4.99%
141778	The T. Eaton Co. Ltd. of Montreal 685, Ste-Catherine West	6,200,500.	310,000.	4.99%
140114	Robert Hampton & Son Ltd. 451, St-Jean	80,000.	5,300.	6.62%
140191	The Grand Trunk Ry. (Can. National Railways) 351, McGill	460,000.	29,000.	6.30%
140310	The National Trust Co. Ltd., 225, St-Jacques West	275,800.	17,000.	6.16%
140316	The Can. Bank of Commerce 265, St-Jacques West	1,000,000.	50,000.	5. %
140323	Crown Trust Co. 393, St-Jacques West	185,000.	11,000.	5.94%
140652	Drummond St. Realty Corp. (LaSalle Hotel) 1240, Drummond including tenant	430,000.	21,500.	5. %
141639	Berkeley Hotel Ltd. 1180, Sherbrooke West	182,600.	9,000.	4.92%
141701	Famous Players Can. Corp. Ltd. (Palace Theatre) 698, Ste-Catherine West	436,100.	21,800.	4.99%
141716	Mansfield Theatre Co. Ltd. (Loew's Theatre) 954, Ste-Catherine West	563,800.	28,200.	5. %
141690	The Can. Theatre Co. Ltd. (Princess Theatre) 480, Ste-Catherine West	325,000.	15,000.	4.61%
141710	Famous Players Con. Corp. Ltd. (Capitol Theatre) 890, Ste-Catherine West	475,400.	23,800.	5. %
141651	The Mount Royal Club 1171, Sherbrooke West	186,000.	12,000.	6.45%
141846	St. James Club 675, Dorchester West	230,900.	11,000.	4.76%

PROP. No.	NAME OF THE PROPRIETOR & ADDRESS OF THE PROPERTY	TOTAL PROPERTY VALUATION	TOTAL ASSESSED RENTAL	% OF RENTAL ON VALUATION
140355	The Engineers Club of Montreal 1175, Beaver Hall Sqr.	280,000.	12,000.	4.28%
400084	Imperial Oil Limited 3400, St. Patrick	345,000.	20,700.	6. %
	From the Valuation Roll for the year beginning May 1, 1941, and the Tax Roll as revised at August 20, 1941.	Certifié P. E. D.		
250492	Steel Co. of Canada Ltd. 2330, Notre-Dame West	700,000.	41,500.	5.92%
201473	Dupuis Frères Ltée 865, Ste-Catherine East	1,000,000.	50,000.	5. %
110288	Royal Trust Realty Co. (including tenant) 105, St-Jacques West	981,500.	74,000.	7.53%
171516	Woodhouse & Co. Ltd. 105, Ste-Catherine West	326,000.	22,000.	6.74%
110269	Banque Canadienne Nationale (including tenants) 112, St-Jacques West.	600,000.	52,600.	8.76%
331774	United Shoe Machinery Co. of Canada Limited 2610, Bennett	409,000.	27,000.	6.60%
411989	Canadian Tube & Steel Products Limited 5765, Hamilton	325,000.	18,900.	5.81%
121548	Wilsil Limited 1239, Mill	465,000.	24,000.	5.16%
400076	Crane Limited 3800, St. Patrick	975,000.	58,500.	6. %
400077	Congoleum Canada Ltd. 3700, St. Patrick	514,000.	30,840.	6. %
260597	Ogilvie Realty Corp. Ltd. 1309, Ste-Catherine West	913,500.	50,000.	5.47%
561951	The Ford Motor Co. of Canada Limited 201, Laurier	210,000.	12,600.	6. %
501523	La Cie J. J. Joubert Ltée (including tenant) 4141, St-André	279,000.	18,750.	6.72%
110287	Bank of Montreal 109, St-Jacques West	1,800,000.	120,000.	6.66%
120145	The National Breweries Ltd. 740, St-Maurice	1,000,000.	50,000.	5. %
120552	do 990, Notre-Dame West	1,100,000.	56,000.	5.09%
141780	Morgan Realities Ltd. 585, Ste-Catherine West	3,335,700.	171,300.	5.05%

PROP. No.	NAME OF THE PROPRIETOR & ADDRESS OF THE PROPERTY	TOTAL PROPERTY VALUATION	TOTAL ASSESSED RENTAL	% OF RENTAL ON VALUATION
141766	Simpson Limited 977, Ste-Catherine West	2,443,500.	128,000.	5.23%
141644	The Carlton Hotel Co. of Montreal Limited 1226, Sherbrooke West	900,000.	45,000.	5. %
330848	American Can Co. 2065, Jeanne-d'Arc	820,000.	50,000.	6.09%
334273	St. Lawrence Sugar Refineries Limited 4026, Notre-Dame E.	832,000.	45,000.	5.4 %
230003	Dominion Oilcloth & Linoleum Company Lt ^r . 1301, ave de Lorimier	178,000.)		
230058	Do 570, Parthenais	531,000.)		
230082	Do 569, Parthenais	594,000.)		
230939	Do 2200, Ste-Catherine E.	140,000.)	82,000.	5.07%
230947	Do 2221, Notre-Dame E.	7,700.)		
231007	Do 2300, Notre-Dame E.	165,000.)		
		1,615,700.)		
220874	Molson Brewery Limited 1670, Notre-Dame E.	1,075,000.	55,000.	5.11%
220865	Dominion Rubber (including tenant) 1655, Notre-Dame E.	186,000.	12,300.	6.61%
251151	The Imperial Tobacco 800, Rose de Lima	550,000.	34,500.	6.27%
421463	Do 3710, St-Antoine	430,000.	25,800.	6. %
120910	Northern Electric 1261, Shearer	3,500,000.	200,000.	5.71%
320008	Dominion Textile 3340, Notre-Dame E.	507,472.86	35,000.	6.89%
230998	Do 2618, Notre-Dame E.	235,000.	15,000.	6.38%
400059	Do 5524, St. Patrick	860,000.	47,700.	5.54%
120927	Belding Corticelli 1455, Shearer	300,000.	20,000.	6.66%

DEFENDANT'S EXHIBIT D-43 AT ENQUETE

*Dominion Square Building - 7th Floor - Revised Statement
Showing Areas rented and Rentals Paid as of December 1st, 1941.*

Note:—On December 1st, 1941, the vacant space on this floor amounted to 4,673 square feet as shown below. It is indicated on plan which has been filed by 'cross hatching' in blue. Part of this space faces light wells and part of it is inside space without windows. It was valued by B. C. Empey at \$1.30 per square foot which is the value included in this statement.

ROOM Nos.	NAME OF TENANT	AREA RENTED sq. ft.	ANNUAL RENTAL
701-pt. 711	Joron, Joron & Seguin	1,100	\$1,560.00
Pt. 701, Pt. 702	Napierville Junction Railway	1,083	1,800.00
Pt. 702	W. P. Downs	446	780.00
703	Walter J. Armstrong	586	600.00
704	British Metal Corp. (Canada) Ltd.	586	1,020.00
705 Pt. 706	The D.L. & W. Coal Co. Ltd.	841	1,500.00
Pt. 706	British Metal Corp. (Canada) Ltd.	1,558	3,500.00
708-709	The Equitable Life Insurance Co. of Canada	801	1,080.00
Pt. 706-707	Vacant	1,140	1,482.00
Pt. 711	Vacant	1,240	1,612.00
710-20-21-31-32	Canadian Westinghouse Co. Ltd.	4,277	7,000.00
722-724	Dominion Government (Dept. of Public Wks.)	2,129	3,193.50
723	Philip B. Hart	1,073	1,500.00
725	Vacant	1,000	1,300.00
733. Pt. 734	Vacant	1,293	1,680.00
Pt. 735. Pt. 734	D. W. Ogilvie & Co. Inc.	2,850	3,400.00
Pt. 735, 736	Credit Bureau of Montreal, Ltd.	1,016	1,521.00
737	Minfermet Limited	436	720.00
Pt. 738	Lone Cloud Gold Mines	293	480.00
Pt. 738-740	The Hartt & Adair Coal Co. Ltd.	1,172	1,800.00
742	J. M. Eugene Guay, Inc.	1,478	2,520.00
741	A. Stein Company, Ltd.	502	492.00
		<u>26,900</u>	<u>\$40,541.40</u>

Total rentable area on 7th floor (declared by B. C. Empey)	26,900 sq. ft.
Total rentable area on 7th floor, measured by G. Desaulniers and H. Mills. — (see page 69, Book of Exhibits)	26,923 sq. ft.
Total 'equivalent' area on 7th floor, determined through the application of the Sheridan-Karkow Formula, (see page 69, Book of Exhibits)	22,487 sq. ft.
Total area rented on December 1, 1941, as declared by B. C. Empey	22,227 sq. ft.
Totaly area vacant on December 1, 1941,	4,673 sq. ft.
	<u>26,900 sq. ft.</u>

Total rental paid for area rented	\$34,466.50
Rental value of area vacant, as stated by B. C. Empey, 4,673 sq. ft. at \$1.30 per sq. ft.	6,074.90
	<u>\$40,541.40</u>

Rental per square foot of 'actual area'	\$1.50
Rental per square foot of 'equivalent area'	\$1.80

Prepared by G. Desaulniers and H. Mills.

DEFENDANT'S EXHIBIT D-47 AT ENQUETE

*Total Cost of Operating Expenses by Mr. Grinstead,
for Sun Life Building.*

10	Total Cost of Operating Expenses—		
	Sun Life Statement		\$436,992.64
	Cost of operating Building as completed (735,963 square feet)		
	G.D. & H.M.		\$396,535.98
			<hr/>
	ACTUAL DIFFERENCE —		\$ 40,456.66
	DIFFERENCE IN MANAGEMENT FEES	\$ 4,987.58	
	Cost of Lighting 424,635 sq. ft. of owner-occupied		
	space at 0.7 per sq. ft.	\$ 29,744.45	34,642.03
			<hr/>
20	DIFFERENCE UNACCOUNTED FOR		\$ 5,814.63
			<hr/> <hr/>

DEFENDANT'S EXHIBIT D-21 AT ENQUETE

*Statement on or of total rentable area of floors
of Dominion Square Bldg.*

DOMINION SQUARE BUILDING

30	TOTAL RENTABLE AREA		
	Ground floor	27,064	sq. ft.
	Mezzanine floor	23,969	"
	3rd to 12th inclusive	225,918	"
	Total Rentable Area	276,951	"
			<hr/> <hr/>

AS AT DECEMBER 1st 1941

40		Rentable	Area Under	Rental for	Area
		Area	Lease	Area Under	Vacant
				Lease	
	7th floor	26,900	22,227	34,466.50	4,673
	8th floor	26,923	22,584	34,966.92	4,339
	9th floor	24,839	22,103	36,349.55	2,736

DEFENDANT'S EXHIBIT D-34 AT ENQUETE

Summary of Leases in effect for the years 1941-1942 for space on the 8th floor of the Dominion Square Building.

10	Name of Tenant	Offices Leased	Offices Vacant		Annual Rental
			Nos.	Area	
	Standard Brands	801-802-810-811-820			\$9,690.00
	James W. Ross	803			600.00
	Bethlehem Steel Exp. Corp.	804			900.00
	Canadian Dredge & Dock Co.	805			1,020.00
	City of Montreal	806			1,800.00
	Vacant		807	840	
20	Herman R. Biland	808-809			900.00
	The B.V.D. Co. Ltd.	821-831			2,898.00
	Vacant		822	909	
	Imperial Life Assur. Co. of Canada	Pt. 822-823-824			3,600.00
	Vacant		825	1,000	
	Francis Aylmer Hamlet	832			540.00
	Vacant		833	382	
	Vacant		834	1,208	
	Dominion Government	835-835a			4,018.92
30	Consolidated Equipment Co.	836			1,500.00
	Scotch Anthracite Coal Co. Ltd.	837-839-840-841			7,500.00

Area vacant on December 1st, 1941	4,339
Net area rented December 1st, 1941	22,584

Total rentable area on 8th floor	26,923
Total rental paid for area rented	<u>\$34,966.92</u>

40 Average rental paid for space rented — per square foot \$1.55

Prepared by G. Desaulnier and H. Mills.

DEFENDANT'S EXHIBIT D-35 AT ENQUETE

Summary of Leases in effect for the years 1941-1942 for space on the 9th floor of the Dominion Square Building.

Name of Tenant	Office Leased	Offices Vacant		Annual Rental
		Nos.	Area	
Maclaren Advertising Co. Ltd.	900-901			\$1,920.00
Precipitation Co. of Canada Ltd.	902-903			1,530.00
Missisquoi Stone & Marble Co. Ltd.	904			480.00
Harding Carpets Ltd.	905			1,600.00
Campbell MacLaurin Lumber Co. Ltd.	906			1,000.00
	907			2,000.00
Vacant		906a	840	
Montreal Life Ins. Co.	908-909			1,000.00
Seigniory Club Community Assoc. Ltd.	910			3,180.00
Montreal Terra Cotta Ltd.	911			600.00
Ross Engineering Co. of Canada Ltd.	920			2,500.00
Howard M. Banks	921			2,100.00
All Canada Radio Facilities Ltd.	Pt. 922			600.00
Whitehall Broadcasting Ltd.	Pt. 922-923			2,400.00
J. J. Gibbons Ltd.	924-925			3,600.00
Vacant (old No. 933)		926	382	
Vacant (old pt. 934)		927	1,221	
C. V. Riker Co. Inc.	931			540.00
Sontyre Investment Ltd.	932			480.00
R. H. Gale, (part of 934 on plan area 608 sq. ft.)	933			960.00
Health League of Canada	934			300.00
St. Lawrence Brick Co. Ltd.	935			1,600.00
J. P. Porter & Sons Ltd.	936			2,400.00
Joseph Levinson Jr.	937			700.00
Vacant		Pt. 938	293	
Anaconda American Brass Ltd.	939-Pt. 938			1,499.55
E. J. Fetherstonhaugh & Son	940			1,500.00
Towagmac Exploration Co. Ltd.	941			1,800.00

Area vacant on December 1st, 1941	2,736
Net area rented do. do.	22,103
Total rentable area on 9th floor	24,839
Total rental paid for area rented	\$36,349.55
Average rental paid for space rented — per square foot	\$1.64

Prepared by G. Desaulniers and H. Mills.

DEFENDANT'S EXHIBIT D-37 AT ENQUETE

List of Tenants occupying the largest areas in the Sun Life Building, 6th to 21st floors — inclusive.

Floor	Tenant	Actual sq.	Area ft.	Actual Rental	Rental	Rental Per sq. ft.	
6	Aluminum Company	15,734		\$21,475.96		\$1.37	
8	do.	3,280		4,250.00		1.29	
17	do.	21,025		36,500.00		1.74	
18	do.	22,000		36,500.00		1.66	
21	do.	13,927	75,966	28,500.00	\$127,225.96	2.05	\$1.67
7	M. D. #4	10,966		12,728.76		1.16	
9	do.	448		720.00		1.61	
10	do.	640		900.00		1.41	
12	do.	24,723	36,777	34,000.00	48,348.76	1.38	1.31
14	Can. Int. Paper Co.		26,345		40,337.64		1.53
16	Con. Paper Corp.		15,460		28,205.00		1.82
19	Ogilvie Flour Mills		12,074		18,360.00		1.52
15	Indus. Accept. Corp.		9,544		12,624.00		1.32
15	Champlain Oil		8,325		13,567.20		1.63
19	Canada Starch		7,860		11,650.00		1.48
9	Can. Iron Foundries		5,200		7,880.00		1.51
8	St. Lawrence Corp.		4,577		7,880.00		1.72
9	Can. Ad. Agency		3,797		5,500.00		1.45
16	Bathurst Power		3,141		5,500.00		1.75
10	Can. Johns-Manville		2,362		4,290.00		1.82
16	Business Men's Health Club		2,240		3,000.00		1.34
9	Algoma Steel Corp.		1,933		3,300.00		1.71
16	Can. Pulp & Paper		1,910		2,080.00		1.09
19	Nichols Chemical Co.		1,836		3,240.00		1.76
		Total area — 219,347		Total rental \$342,988.56		Average 1.56	
3rd BASEMENT TO GROUND FLOOR - INC.							
B. 3	United Kingdom Sec.	6,612		\$ 5,084.37			.77
G.F.	do.	2,535		4,800.00			1.90
G.F.	La Patrie Pub. Co.		4,110		5,250.00		1.25
G.F.	United Cigar Stores	2,306		4,366.79		1.89	
G.F.	do.	600	2,906	5,601.02	9,967.81	9.33	3.43
G.F.	Bank of Montreal		2,844		7,511.76		2.64

NOTE:—The lease for the space in basement #3, rented to United Kingdom Securities is at a rental of \$4,000.00 per annum but the lessee agrees to arrange and pay for the cost of cleaning. The estimated cost of cleaning as derived from the Experience Exchange Report of the National Association of Building Owners & Managers would be at the rate of 16.4¢ per sq. ft. (6.612 sq. ft. at 16.4¢) — \$1,084.37.

Prepared by G. Desaulniers and H. Mills.

DEFENDANT'S EXHIBIT D-38 AT ENQUETE

Comparison of gross floor areas.

SUN LIFE BUILDING

COMPARISON OF GROSS FLOOR AREAS, OUTSIDE DIMENSIONS AND
NET RENTABLE AREAS — GROUND FLOOR TO 23rd FLOOR

10 Note:—Floors 7a, 16a and 24a are not included in this statement because most of the space on these floors is used for mechanical equipment, ducts, etc.

		Gross Floor Areas estimated by		Net Rentable Area estimated by
		J. J. Perrault	Brian R. Perry	G. Desaulniers and H. Mills
	Ground floor	87,132	83,056	43,342
	1st floor	86,684	83,056	52,911
20	2nd "	86,684	83,056	50,180
	3rd "	83,073	82,793	50,552
	4th "	83,247	82,793	55,151
	5th "	66,821	74,623	48,760
	6th "	66,949	74,643	51,855
	7th "	61,169	60,433	37,429
	8th "	57,763	54,955	34,046
	9th "	57,763	54,955	33,133
	10th "	62,494	56,685	26,288
	11th "	38,390	38,747	23,705
30	12th "	38,390	38,747	24,723
	14th "	38,390	38,747	26,345
	15th "	38,390	38,747	24,719
	16th "	38,390	38,747	24,937
	17th "	38,002	36,712	21,025
	18th "	38,002	36,712	22,000
	19th "	38,002	36,712	22,640
	20th "	26,799	26,300	16,046
	21st "	26,799	26,300	13,927
	22nd "	26,466	26,300	16,810
40	23rd "	21,552	21,380	12,109
	Total	1,207,351	1,195,199	732,633

Using J. J. Perrault's estimate of gross floor area,
the net rentable area is equal to 60.68% of gross.
Using Brian R. Perry's estimate of gross floor area,
the net rentable area is equal to 61.3% of gross.

Prepared by G. Desaulniers and H. Mills.

DEFENDANT'S EXHIBIT D-39 AT ENQUETE

Comparison of gross floor areas.

ROYAL BANK BUILDING

10 COMPARISON OF GROSS FLOOR AREAS, OUTSIDE DIMENSIONS, AND NET RENTABLE AREAS — GROUND FLOOR TO 20th FLOOR.

		Gross Floor Areas estimated by Technical Service Dept. City of Montreal	Net Rentable Areas as declared to City of Montreal by Royal Bank
	Ground floor	29,000	19,038
20	Mezzanine floor		
	St. James Street side	12,636	9,161
	Notre Dame Street side	3,168	2,940
	1st floor	29,000	19,500
	2nd "	29,000	18,800
	3rd "	14,441	9,465
	4th "	14,441	10,104
	5th "	14,441	10,177
	6th "	14,441	10,040
30	7th "	14,441	10,166
	8th "	14,441	10,011
	9th "	14,441	10,088
	10th "	14,441	9,921
	11th "	14,441	8,367
	12th "	14,441	10,225
	14th "	14,441	10,131
	15th "	14,441	10,110
	16th "	14,441	10,344
	17th "	14,441	11,178
40	18th "	14,441	9,954
	19th "	8,022	4,959
	20th "	8,022	5,132
		<u>335,463</u>	<u>229,811</u>

The net rentable area is equal to 68.5% of gross area.

Prepared by G. Desaulniers and H. Mills.

DEFENDANT'S EXHIBIT D-40 AT ENQUETE

*Comparison of gross floor areas.
Dominion Square Building.*

10 COMPARISON OF GROSS FLOOR AREAS, OUTSIDE DIMENSIONS AND
NET RENTABLE AREAS — GROUND FLOOR TO 12th FLOOR.

	Gross Floor Areas estimated by Technical Service Dept. City of Montreal	Net Rentable Areas as declared to City of Montreal by the Managers of Dominion Square Building
20	Ground floor	40,545
	Mezzanine	27,064
	3rd floor	39,337
	4th "	23,969
	5th "	40,102)
	6th "	38,272)
	7th "	38,272)
	8th "	38,272)
	9th "	38,272)
	10th "	36,571)
		213,718
30	11th "	10,725)
	12th "	10,725)
		12,200
	405,936 sq. ft.	276,951 sq. ft.

The net rentable area is equal to 68.2% of gross area.

Prepared by G. Desaulniers and H. Mills.

EXHIBIT D-12 DE LA DEFENDERESSE A L'ENQUETE

Rapport de M. V. Fournier.

VICTOR A. FOURNIER
Ingénieur Civil

10 Outremont, Qué., le 18 août 1942

Monsieur Honoré Parent, C.P.,
Directeur des Services Municipaux,
Hôtel de Ville,
Montréal.

re: "Sun Life"

Monsieur le Directeur,

20 A votre demande, j'ai fait l'examen de l'édifice Sun Life, au carré Dominion, Montréal, ainsi que de la bâtisse du pouvoir, rue Mansfield, et j'en ai étudié les plans, en vue d'en déterminer le coût de remplacement, ainsi que leurs valeurs actuelles, et j'ai l'honneur de vous présenter mes conclusions.

30 A cause des conditions économiques créées par l'état de guerre, et parce que, vu les restrictions, il est impossible d'obtenir des prix sérieux pour plusieurs matériaux, j'ai calculé le prix de reproduction de ces bâtisses en me basant sur les prix de matériaux et de main-d'oeuvre tels qu'ils prévalaient en 1939, avant la guerre.

Contrairement à ce qui a été réellement fait pour l'érection de ces édifices, j'ai considéré ces travaux effectués en une seule opération, éliminant le coût de travaux de raccordement ou de raffermisssement qu'aurait pu exiger leur exécution en plusieurs étapes.

40 Tout bien considéré, c'est mon opinion que le coût de remplacement, en 1939, de l'édifice principal, supposé entièrement terminé, se chiffre à \$19,103,750.21, dont il faut enlever, pour les étages non-finis, un montant de \$355,775.68, laissant \$18,747,974.53 pour le coût de remplacement, en 1939, de l'édifice principal tel qu'il existait à la fin de 1941.

La permanence des matériaux employés, surtout à l'extérieur, justifie, à mon avis, une détérioration de 1% par année seulement; et le caractère de l'architecture permet de présager que l'édifice ne subira pas de désuétude; je ne crois donc pas devoir appliquer une dépréciation totale supérieure à 1% par année.

Afin de partager le coût de l'édifice principal entre les trois parties d'âges différents, j'ai soigneusement calculé le cubage de ces parties pour appliquer à chacune une dépréciation proportionnelle à son âge.

Le cubage total se monte à 22,000,249 pieds cubes; la première partie, érigée en 1918, en contient 2,113,758; la deuxième partie, érigée en 1925, en contient 1,134,727; et la troisième, érigée en 1931, contient 18,751,764 pieds cubes.

Le coût de remplacement, en 1939, calculé proportionnellement aux divers cubages, et la valeur dépréciée, en 1942, s'établissent alors, pour chacune de ces trois sections, comme l'indique le tableau suivant:

20	Coût de remplacement en 1939	Dépréciation 1% par année	Valeur en 1942
1ère partie (1918)	\$ 1,835,465.81	\$ 440,511.79	\$ 1,394,954.02
2ème partie (1925)	\$ 985,331.63	\$ 167,506.38	\$ 817,825.25
30 3ème partie (1931)	\$16,282,952.77		
non-fini	\$ 355,775.68		
	<u>\$15,927,177.09</u>	<u>\$1,751,989.48</u>	<u>\$14,175,187.61</u>
Total	<u>\$18,747,974.53</u>	<u>\$2,360,007.65</u>	<u>\$16,387,966.88</u>

La dépréciation annuelle sur l'ensemble de l'édifice tel qu'il existait à la fin de 1941, serait donc de \$187,479.75 et la dépréciation totale à date se monte à \$2,360,007.65, ce qui indiquerait un âge moyen, en 1942, d'un peu plus que 12½ ans.

Pour calculer la valeur de la bâtisse du pouvoir, je l'ai divisée en trois parties auxquelles je crois nécessaire d'appliquer des taux différents de dépréciation.

Ici encore, le coût de remplacement est basé sur les prix prévalant en 1939.

	a) TUNNEL		
	Coût	\$14,388.97	
	Dépréciation 12 ans à 1%	1,726.67	
10	Valeur en 1942		\$12,662.30
	b) BATISSE		
	Coût	\$353,967.72	
	Dépréciation 12 ans à 2%	84,952.25	
	Valeur en 1942		\$269,015.47
20	c) CHAUDIERES, MACHINES, OUTILLAGE, ETC.		
	Coût	\$273,974.40	
	Dépréciation 12 ans à 4%	131,507.71	
	Valeur en 1942		\$142,466.69
30	Pour l'ensemble de la BATISSE DU POUVOIR		
	Coût	\$642,331.09	
	Dépréciation	218,186.63	
	Valeur en 1942		\$424,144.46

La dépréciation annuelle se monte à \$18,182,22 soit au taux de 2.83%.

40 Je demeure, Monsieur le Directeur, à vos ordres pour tous renseignements complémentaires.

Victor A. Fournier,
Ingénieur civil.

860 ave. Dunlop, Outremont.

EDIFICE SUN LIFE
 CONSTITUTION DU COUT DE REMPLACEMENT

22,000,249 pi. cu. à \$0.40 \$8,800,099.60

10 SURPLUS

	Fondations	57,209.00	
	Béton	196,913.00	
	Acier	750,600.00	
	Maçonnerie	2,421,634.00	
	Couverture	75,177.00	
	Menuiserie } Métaux }	720,792.00	
	Enduits	268,500.00	
20	Electricité	550,000.00	
	Marbre, etc.	768,000.00	
	Planchers	176,618.00	
	Plomberie	370,000.00	
	Chauf. & Vent.	820,000,000x	
	Peint. & Vitr.	70,000.00	
	Fr. gén. Prof.	660,000.00	
	Voutes	175,000.00	
	Ascenseurs	1,239,000.00	
30	Quincaillerie	50,000.00x	
		<hr/>	\$9,369,443.00
			<hr/>
	Honoraires d'architecte 4%		18,169,542.60 726,781.70
			<hr/>
	Edifice complet (chauffage inclus)		\$18,896,324.30
	Parties non-finies	342,092.00 plus 4%	— 355,775.68
	Appareils de Chauffage	263,436.92 “ “	— 273,974.40
			<hr/>
40	Dépense totale à financer		\$18,266,574.22
	18,266,574.22	22+21+20+ . . . +3+2+1 .03	
	<hr/>	x	<hr/>
	24	12	x = 481,400.30
			<hr/>
	Coût de remplacement en 1939 de l'édifice tel qu'il existait à la fin de 1941		\$18,747,974.53

Victor A. Fournier,
I. C.

Victor A. Fournier, ingénieur civil,
Gradué de l'Ecole Polytechnique 1915
Membre de la Corporation des Ingénieurs Professionnels
de Québec,
Membre de "l'Engineering Institute of Canada",
Ingénieur-en-chef et Estimateur pour "Dansereau, Ltée,"
depuis 1928.

10 Estimés et Constructions se montant à au-delà de \$16,000,000.00.

Séminaire de St-Hyacinthe
Collège N.-D. de la Côte-des-Neiges
" St-Césaire
" Rigaud
" Memrancook, N.B.
" Ste-Croix, Montréal
Ecole de Réforme de Montréal
20 " Le Plateau, Montréal
" Youville, Montréal
" St-Barthélemy, Montréal
" Ste-Cunégonde, Montréal
" d'Huberdeau
" de Jonquière, Qué.
Ecole Technique de St-Hyacinthe
Couvent de St-Hyacinthe
" " St-Jérôme
" " Chicoutimi
" " Lauzon
30 Hôpital Notre-Dame (résid. des gardes)
" Ste-Justine (résid. des gardes)
" St-Jean-de-Dieu (3 pavillons)
" St-Michel, Mastai)
" N.-D. de la Merci
" de Roberval
Théâtre Outremont
" Snowdon
Poste de radio C.B.F.
40 Laboratoire de Recherches
Edifice Viewmount
" Crescent
" Office Specialty
" J. D. Langelier
" Standard Paper Box
" O'Neill European Machine
Aqueduc de La Tuque
Pont Barsalou, (St-Hyacinthe)
Eglises, Appartements, Résidences, etc. etc.

Victor A. Fournier.

EXHIBIT P-36 DE LA DEMANDERESSE A L'ENQUETE

Calcul relatif au coût de remplacement de l'édifice Sun Life.

140896

②

Correction finale apres inspection de verification
avec Jos. A. S. Houle le 2 novembre 1942

J. Paquette

Montant rapporté des derniers calculs de
Geo. Paquette 12/1/42 Rapp. # 11,110,337.32

Plus: pour—

Creusage dans le roc. (25% du creusage)

25% de 118,807 u.c. = 29700 u.c. @ 4.50 133,650.00

Fondations en sous-œuvre au Théâtre LOEWS.

9 piliers de 3' x 6' x 17.0' = 2750 ft³ @ 1.00 2,750.00

Surplus d'électricité pour Auditorium & Gymnase
base sur les calculs du théâtre Capitol.

1,850.00

Pour centralisation re. controle (évaluation archit.) 15,000.00

" transformeur de courant (" ") 5,000.00

" éclairage d'urgence (" ") 25,000.00

" " extérieur (" ") 12,000.00

Surplus chauffage

Pour centralisation re. controle (" ") 15,000.00

" raccordement d'appareils (" ") 12,000.00

Surplus de Ventilation & Fire Protection

Pour centralisation re. controle (" ") 15,000.00

" protection au dessus Th. LOEWS (" ") 3,000.00

" ventilation des cuisines (" ") 15,000.00

Surplus ascenseurs.

Supp. de forces motrices 35,000.00

Pour 26 stations tuy. pneumatique

10,000.00

Plomberie — pour système force d'égout

8,000.00

Pour surplus de charpente, re. tour & forces
concentrées

500,000.00

11,918,587.32

10% omission & supplement

1,191,858.73

à reporter

13,110,446.05

(2A)

	13,110,446.05
Construction en hauteur 19%	2,490,984.75
	15,601,430.80
Sous-contrat 10%	1,560,143.08
	17,161,573.88

$17,161,573.88 \div 21,931,761^{13} = 0.782 \text{ le }^{13}$

En 1941. (par 10%)

$18,706,115.53 \div 21,931,761^{13} = 0.853 \text{ le }^{13}$

[Handwritten signature]
2/11/42

A déprécier proportionnellement
aux déboursés du Sun Life
voir les 2 feuilles suivantes -

Classe	1938	1941	% Dépréciation	Net
1 Bâtisse (1917)	1,356,812.90	1,478,926.06	28.0	414,099.30 - 1,064,826.76
1 " (1925)	1,687,720.68	1,839,615.54	19.7	362,404.26 - 1,477,211.28
1 " (1931)	12,655,649.93	13,794,658.42	13.0	1,793,305.59 - 12,001,352.83
1 " (1936)	837,266.84	912,620.86	6.8	62,058.22 - 850,562.64
1 " (1940)	568,037.80	619,161.20	1.5	9,287.42 - 609,873.78
1 " (1941)	56,085.73	61,133.45	-	- 61,133.45
	$17,161,573.88 - 18,706,115.53$			2,641,154.79 - 16,064,960.74

Feuille de Correction 1942

VOLUME 2,193,761 f³

COÛT DE L'ÉDIFICE
RAPPORT 19 décembre 1941 = 10,416,442.32

MURS EXTERIEURS

SUPERFICIE } OUVERTURES } DEDUITE }	GRANIT. ENDUIT = 4.20
	BR. ADDIT. 8" = .38
	T.C. 4" = .22
	ORNEHENTATION = 1.50
	\$ 6.30

CHARGE AU RAPPORT 4/7/38 = 5.25

SURPLUS \$ 1.05

380,300 f² x 1.05 = 399,315.00 ✓

380300
 140152.00
 399.315
 120155
 209165

ASCENSEURS

ACC. 29E	4 @ 32,000.00	= 128,000.00
" 27E	2 @ 31,000.00	= 62,000.00
" 27E	2 @ 30,000.00	= 60,000.00
" 18E	8 @ 21,000.00	= 168,000.00
" 10E	4 @ 13,000.00	= 52,000.00
" 6E	1 @ 9,000.00	= 9,000.00
FRET 29E	1 @ 21,600.00	= 21,600.00
" 24E	1 @ 18,225.00	= 18,225.00
" 12E	1 @ 10,125.00	= 10,125.00
" 11E	1 @ 9,450.00	= 9,450.00
" 10E	1 @ 8,775.00	= 8,775.00
CHAL. 1E	600.00	= 600.00
" BR. LUX 20E	350.00	= 7,000.00
" ACIER 5E	150.00	= 750.00
PORTE G. LUX BR 2E	350.00	= 700.00
" BR. LUX 193E	250.00	= 48,250.00
" ACIER 186E	150.00	= 27,900.00
DEDUCTION RAPPORT 4/7/38		= 337,795.00

294,580.00 ✓

Esc. Rapquette

Esc. Rapquette
 12/1/42

11,110,337.32
 19% - HAUTEUR POUR 390.0f = 2,110,964.09

10% - SOUS-CONTRATS = 1,322,130.14

14,543,431.55 ÷ 2,193,761 f³ = \$ 6.63 / c pi. cu.

13,221,301.41
 = 1,322,130.14
 14,543,431.55

6

DEPRECIATION ① 1941

	1936	Coût de reconstruction	\$ 14,543,431.55
Améliorations =	1914	Partie érigée	852,052.27
	1930	"	852,052.27
		"	7,126,714.10
	1938	Finis intérieurs	2,747,023.12
	1941	"	
			<u>11,577,841.76</u>
			2,965,589.79

Classe	1936	1941	%	Dépréciation	Net
/ Bâti (+1914)	852,052.27	928,736.98	30.8	286,050.98	642,686.00
/ " 1930	797,876.37	869,685.34	14.2	1,234,953.44	746,1901.90
/ Finis intérieurs 1938	2,747,023.12	2,994,255.20	4.2	125,758.70	2,868,496.50
	11,577,841.76	12,619,847.52		1,646,763.12	10,973,084.40
/ Finis intérieurs 1941	2,965,589.79	3,232,492.87	0.0		3,232,492.87
	<u>14,543,431.55</u>	<u>15,852,340.39</u>		<u>1,646,763.12</u>	<u>14,205,577.27</u>

OK
19-12-41

#140876

(7)

CALCUL DU COUT DE L'EDIFICE APRES TRANSFORMATIONS

PERIMETRE VARIABLE SUPERFICIE VARIABLE VOLUME 21,931,761 f³

COUT DE L'EDIFICE - RAPPORT 4/7/38 = 9,273,401.49

PLOMBERIE

W.C.	130	@ 47.80 =	6214.00	
LAVABOS	129	@ 52.80 =	6811.20	
URINOIRS	44	@ 146.00 =	6424.00	
FONAINES	32	@ 110.50 =	3536.00	
SLAB SINKS	21	@ 32.80 =	688.80	23,674.00 ✓

CHAMBRES DE TOILETTE

PLANCHE	25,600	@ 0.80 =	20480.00 ✓	
DRETTAGE	15,360	@ 1.50 =	23040.00 ✓	
STALES MAR.	595	@ 63.00 =	37485.00 ✓	81,005.00 ✓

CHAUFFAGE

PIPE	1,844.70	f ³ @ 40% x 0.03 =	22133.64	
CORRECTION	513,960	@ 5% =	25698.00 =	64,963.64 ✓
RAPPORT	JACK HEAT. 17,132,000	@ 0.001 =	17132.00	

ESCALIERS

ESCAL. W.	600	M @ 9.00 =	5400.00	
F.T.F. FL.	600	M @ 7.75 =	4650.00	
PARQUET MARB.	700	@ 2.50 =	1750.00	
POLIERES TERR.	700	@ 1.70 =	1190.00	
CARR. T.C. 8" END.	33120	@ 0.438 =	14506.56 =	27,496.56 ✓

ASCENSEURS PORTES ACIER 40 @ 150.00 = 6,000.00

ELECTRICITE

ESTIM. 1938	1454,100	@ 0.17 =	247197.00	
CALCUL 1941	222,930	@ 0.26 =	57961.80 =	305,158.80 ✓

PANCHERS

MASTICUM	24000	@ 0.188 =	4512.00 ✓	
TERRAZZO	34040	@ 0.66 =	22466.40 ✓	
CORRECTION	TERRAZZO	67390	@ 0.36 =	24260.40 ✓
CALCUL 1938	(TUILE SUR)	56420	@ 0.27 =	15233.40 ✓
LINOLEUM	20130	@ 0.188 =	3784.44 ✓	
CIM. PEINT	129500	@ 0.10 =	12950.00 ✓	83,206.64 ✓

MENUISERIE

PLINTE ARDOISE	21960	@ 0.60 =	13176.00 ✓	
PORTES ACIER.	120	@ 90.00 =	10800.00 = ✓	23,976.00 ✓

A REPORTER = 9,888,882.13

Les Paquette
27296.52
14506.52
128990.00

(6)

RAPPORTE = 9,888,882.13

FINL INTERIEUR

PORTES MOUEES A-E 480²@ 5.00 = 2400.00 ✓
DADO HAUTE BLANC 32,250²@ 1.50 = 48375.00 = ✓ 50,775.00 ✓

MURS & DIVISIONS

T.C. 6 EN DOBLE 65,980²@ 0.398 = 26260.04
END SUR T.C. 78,000²@ 0.076 = 5928.00
END SUR MUR EXT. 57,300²@ 0.076 = 4354.80 = 36,542.84 ✓

36,542.84
4354.80
32,250.00

PLAFONDS

CORRECTION
CALCUL 1938 990,510²@ 0.07 = 69335.70
CALCUL 1941 214,150²@ 0.19 = 40688.50 = 110,024.20 ✓

AIR CONDITIONNE

CALCUL 1941 - 17,182,000³@ 0.03 = 513,960.00
REDUCTION
CALCUL 1938 = 184,421.85 = 329,538.15 ✓

CHUTES A LETTRE

4^E @ 170.00 = 680.00 ✓

10% SOUS-CONTRATS = 10,416,442.32
= 1,041,644.23

13 1/2% EN HAUTEUR = 11,458,086.55
= 1,546,841.68

13,004,928.23

13,004,928.23 ÷ 21,931,761³ = 0.593 le pi. cu.

Georges Paquette

19/12/41

Georges Paquette

PERIMETRE
Variable

SUPERFICIE
Variable

21

CHARPENTE (Page 2)

$$1,596,100 \text{ f}^2 \times 1.65 =$$

MURS EXTERIEURES (Page 5) (Sup. d'ouver
enlevée)
Sup note { Pierre & Briques pour passage
& 100 décoration

$$380300 \text{ f}^2 @ 5.25 =$$

$$\text{Colonnes } 63020 \text{ f}^3 @ 15.00 =$$

SAILLIES (Page 6)

$$\text{Perron Gracit } 2808 \text{ f}^2 @ 6.00 =$$

OUVERTURES EXTERIEURES (Page 5)

$$\text{Porte garage } 120 \text{ f}^2 @ 3.00 = 360$$

$$\text{Portes Bronze } 840 \text{ f}^2 @ 7.00 = 5880$$

$$\text{Chassis Bronze } 44315 \text{ f}^2 @ 1.75 = 77551$$

$$\text{Portes acier } 72 \text{ f}^2 @ 6.00 = 432$$

$$\text{Vitrines } 720 \text{ f}^2 @ 5.00 = 3600$$

Frais de transport

4996.575
540300
1.646275

Monte ... =

140896

(23)

Montant rapporte = 5,680,111.25

PLOMBERIE (Page 6)

Cour. H&V	1,669,000	@ 0.0355 =	59,249.50	
W.C.	465	@ 47.80 =	22,227.00	
Urinaires	139	@ 146.00 =	20,294.00	
Curcs Simp	119	@ 32.80 =	3,903.20	
Larabos	345	@ 52.80 =	18,216.00	
Douches	33	@ 64.50 =	2,128.50	
Abrevoir	118	@ 110.50 =	13,039.00	= 139,057.20 X

139057.20
59227.00
20294.00
79907.70

CHAUFFAGE (Page 4) Re: Bouilloires incluses avec #140942

Rough -	18,442,185	x 60% @ 0.030 =	331,959.33	
Finis -	15,287,585	x 40% @ 0.030 =	183,451.02	= 515,410.35 X

ESCALIERS & CAGES (Page 6)

Escaliers	352 M	@ 9.00 =	3,168.00	
	90 M	@ 8.00 =	720.00	
	2888 M	@ 12.00 =	34,656.00	
	56 M	@ 25.50 =	1,428.00	
	10 M	@ 42.50 =	425.00	
	12 M	@ 51.00 =	612.00	
	8 M	@ 93.50 =	748.00	
	545 M	@ 8.00 =	4,360.00	
	20 M	@ 4.00 =	80.00	
Paliers	4224	@ 2.20 =	9,292.80	
	288	@ 1.50 =	432.00	
	96	@ 1.50 =	144.00	
	780	@ 1.00 =	780.00	
Cages T.C. 8" End Dble	125740	@ 0.438 =	55,074.12	= 111,919.92 X

Escaliers & cages

111,919.92
55,074.12
56,845.80

ASCENSEURS (Page 6)

Passagers	4	@ 14,800.00 =	59,200.00	
	2	@ 14,400.00 =	28,800.00	
	2	@ 14,000.00 =	28,000.00	
	8	@ 10,400.00 =	83,200.00	
	4	@ 7,200.00 =	28,800.00	
	1	@ 6,900.00 =	6,900.00	
Fret	1	@ 9,990.00 =	9,990.00	
	1	@ 8,640.00 =	8,640.00	
	1	@ 5,400.00 =	5,400.00	
	1	@ 5,130.00 =	5,130.00	
	1	@ 4,860.00 =	4,860.00	
Portes Bronze Luxe	193	@ 175.00 =	33,775.00	
Portes Acier	178	@ 150.00 =	26,700.00	
Portes Bronze Grand Luxe	2	@ 250.00 =	500.00	
Cages Grand Luxe	1	@ 350.00 =	350.00	
Cages Luxe	20	@ 300.00 =	6,000.00	
Fretis Grand	5	@ 150.00 =	750.00	= 336,995.00 ✓
				337,795.00 ✓

6,784,293.72

140896 (24)
 = 6,784,293.72

Montant rapporté

PLANCHERS (Pages 2 & 4)

Cave	89050	@ 0.22 =	19,591.00 ✓
Hastium	16500	@ 0.188 =	3,102.00 ✓
Durolithie	55650	@ 0.188 =	10,462.20 ✓
Quarry Tile	21180	@ 0.50 =	10,590.00 ✓
Chêne	4200	@ 0.27 =	1,134.00 ✓
Merisier (sekd)	11700	@ 0.25 =	2,925.00 ✓
Terrazzo	67390	@ 0.30 =	20,217.00 ✓
Marbre	30790	@ 1.25 =	38,487.50 ✓
Marbre couleur	30790	@ 2.75 =	84,672.50 ✓
Ciment peint	187160	@ 0.10 =	18,716.00 ✓
Lunatum	549430	@ 0.188 =	103,292.85 ✓
Tuile	56420	@ 0.53 =	29,902.60 ✓

343,092.65 ✓

MENUISERIE

Plinthe	61800	@ 0.60 =	37,080.00 ✓
Plinthe	17800	@ 1.00 =	17,800.00 ✓
Plinthe	285	@ 90.00 =	25,650.00 ✓
Plinthe oncos	400	@ 0.26 =	104.00 ✓
Plinthe Merisier	1200	@ 0.16 =	192.00 ✓
Plinthe Ciment	18000	@ 0.25 =	4,500.00 ✓

85,326.00 ✓

FINI INTERIEUR (Page 4)

Marbre Blanc	15324	@ 1.50 =	23,486.00 ✓
Marbre Couleur	43175	@ 2.75 =	118,731.25 ✓
Tuile	160	@ 1.00 =	160.00 ✓

356,377.25 ✓
 141,120.00 ✓
 54,000.00 ✓
 11,130.40 ✓

MURS & DIVISIONS (Pages 7 & 8)

T.C. 8" End cim	18160	@ 0.478 =	8,680.48
T.C. 8" End dble	215280	@ 0.438 =	94,292.64
T.C. 6" End dble	223510	@ 0.398 =	88,956.98
T.C. 6" End cim	9080	@ 0.438 =	3,977.70
T.C. 4" End dble	9080	@ 0.407 =	3,699.56
T.C. 2" Nu	39000	@ 0.286 =	11,154.00
T.C. 6" Nu	52170	@ 0.246 =	12,833.82
Br. 12" End dble	1800	@ 0.765 =	1,377.00
T.C. 4" Nu	61800	@ 0.215 =	13,287.00
T.C. 4" End Simp	217480	@ 0.291 =	63,286.68 ✓

Murs Ext.

294,635.86 ✓

PLAFONDS

Enduit	990510	@ 0.12 =	118,861.20 ✓
Caissens	32720	@ 0.50 =	16,360.00 ✓

135,221.20 ✓

FONDACTIONS (Page 7)

Béton armé	182220	@ 0.733 =	133,684.54 ✓
Craie & Pamp. (sable)	118507	@ 2.00 =	2,370,140.00 ✓

3,712,925.54 ✓

FIRE HOSE PROTECTION

30 @ 800 = 24,000.00 ✓

Montant rapporté

8,590,425.62

Bureau Paquette

244 635.86
 63 221.20
 297 857.06

140 896

(25)

Montant Rapporte = 8,590,495.62

LANTERNEAUX (Paye) - 7480 @ 2.00 = 14,960.00 ✓

CONVERTURES

TIULE 39230 @ 0.51 = 20007.30 ✓
Asphalte 36830 @ 0.22 = 8102.60 ✓ 28,109.90 ✓

VENTILATION - 18,442,185 ft³ x 40% x 0.025 = 184,421.85 ✓

REFRIGERATION EAU 18,442,185 ft³ x 0.002 = 36,884.37 ✓

NETTOYEUR PAR LE VIDE 1,120,260 ft² x 0.0475 = 53,212.35 ✓

CHUTE LETTRES 18 ET x 170.00 = 3,060.00 ✓

DIVERS TRAVAUX

Vote. Evaluation Architecte 1 de 40'x18' = 65000.00 ✓
Vours " " " 4 de 20'x10' = 72000.00 ✓
Voutes " " " 3 de 10'x20' = 27000.00 ✓
Portes bronze de Luxe 1080 @ 7.00 = 7560.00 ✓
Portes tournantes 18 @ 375.00 = 6750.00 ✓
Balustrade Bronze luxe 250' @ 10.00 = 2500.00 ✓
Portes Verre Plomb 56 @ 10.00 = 560.00 ✓
Chassis Plafond Bronze Verre Plomb 2400 @ 1.50 = 3600.00 ✓
Colonne Marbre Vert Italien 1'φ @ 40' @ 30.00 = 1200.00 ✓
" " " 5'φ @ 24' @ 30.00 = 11790.00 ✓
Pilastres 18 x 140 @ 2.75 = 6930.00 ✓
Colonnes carrées @ 3200 @ 2.75 = 8800.00 ✓
Marbre Vert Antique 3/4" pais 1950 @ 5.00 = 9750.00 ✓
Chassis plafond Acier Bois Verre Plomb 3045 @ 1.00 = 3045.00 ✓
Plafond Ten Test 12720 @ 0.07 = 890.40 ✓
Balustrade tuyaux 2"φ 545' @ 0.60 = 327.00 ✓
Ventilateur cuirre 3φ 1 @ 175.00 = 175.00 ✓
Reservoirs 10'x16'x8' 3 @ 700.00 = 2100.00 ✓ 229,977.40 ✓

ELECTRICITE

Permanent $\frac{1454100}{2000} = 7270^5 @ 18.00 = 130,860.00$
Temporaire $\frac{142000}{2000} = 710^5 @ 2.00 = 1420.00 = 132,280.00 ✓$
9,273,401.49

13 1/2 % en hauteur = 1,251,909.20
10,525,310.69

10% additionnel = 1,052,531.07
11,577,841.76

\$11,577,841.76 ÷ 21,934,761 ft³ = \$0.528 l.c.u.

George Paquin Inc

11/1/32

Au 17 juin 1938.

Proportion de la bâtisse complètement terminée:-

Sous-sol	3,385,644 pds. cu.
R.de C. au 4e. étage	5,835,849 " "
5e et 6e	2,039,375 " "
7e	1,442,712 " "
8e et 9e	1,578,128 " "
du 10e au 18e	2,285,956 " "
Total.	16,567,664 " "

sur un total de 21,931,761 \$³

- Prop. finie de 75.5%

Charpente et mur complètement terminés:-

Charpente	2,633,565.00
murs extérieurs	1,996,575.00
Colonnades	945,300.00
Saillies extérieures	16,848.00
Ouvertures "	87,823.25
Couverture	28,109.90
	<u>5,708,221.15</u>

Total du coût de 1936 = 9,273,401.49

Charpente, murs et couv. = 5,708,221.15

pour 75.5% de fini int. 3,565,180.34

Coût de 1936 pour 100% fini inter. = 4,722,093.10

10,430,314.25

13 1/2% de construct. en haut. 1,408,092.42

11,838,406.67

10% 1,183,840.67

13,022,247.34

*140896 (28)

DÉPRECIATION

1936 Coût de reconstruction \$

Améliorations

*11,577,841.76

Partie érigée en 1914 = 1,435,189 \$ @ 0.594 =	852,052.27
Partie érigée en 1917	852,052.27
Charpente, murs et couverture en 1925	7,126,714.10
Pour fini intérieur.	2,747,023.12
	9,873,737.22
	10,725,789.49

Classe	1936	1937	%	Dépréciation	Net
1 Bâtisse (1914)	852,052.27	927,032.87	27	250,298.87	676,734.00
1 "	1917 852,052.27	927,032.87	24	222,487.87	704,545.00
1 "	1925-7,126,714.10	7,753,864.94	15.3	1,186,341.34	6,567,523.60
1 "	± 1931 2,747,023.12	2,988,761.15	8.1	242,089.65	2,746,671.50
	11,577,841.76	12,596,691.83		1,901,217.73	10,695,474.10

Taux au pied. cu. pour 1937

* 12,596,691.83 ÷ 21,931,761 \$³

* 0.574 le pd. cu.

Classe	1936	% 1941	Dépréciation	Net
1 Bâtisse (1914)	852,052.27	30.8	262,432.07	589,620.20
1 "	1917 852,052.27	28.0	238,574.67	613,477.60
1 "	1925 7,126,714.10	19.7	1,408,962.70	5,722,751.40
1 "	± 1931 2,747,023.12	13.0	357,113.02	2,389,910.10
	11,577,841.76		2,262,082.46	9,315,759.30

Voir ci-après pour les calculs des travaux faits depuis 1938 et suivis de la dépréciation

SUPERFICIES & VOLUME
 D'APRES LES MESURES CORRIGEES APRES LE 1^{er} CALCUL

PSB 63

	SUPERFICIE	HAUTEUR	VOLUME	
3 ^{es} S.S.	139.9 x 209.0 = 29239	16.0 =	467824	
	137.1 x 2.0 = 274	16.0 =	4384	
	147.0 x 206.0 = 30282	16.0 =	484512	
2 ^{es} S.S.	139.9 x 209.0 = 29239	28.0 =	818692	
	137.1 x 2.0 = 274	28.0 =	7672	
	147.0 x 206.0 = 30282	28.0 =	847896	
1 ^{er} S.S.	138.4 x 208.9 = 28912	28.0 =	809536	
	163.1 x 2.0 = 326	28.0 =	9128	
				3449644
Rte C.	139.4 x 209.0 = 29135	69.4 =	2021969	
1 ^{er} E	136.1 x 1.0 = 136	69.4 =	9438	
2 ^{es} E	126.9 x 206.0 = 30261	69.4 =	2100113	
3 ^{es} E	90.9 x 208.9 = 18989	69.4 =	1317837	
4 ^{es} E	46.0 x 128.9 = 5929	69.4 =	411473	
	46.0 x 80.0 = 3680	28.2 =	103776	
	162.1 x 1.0 = 162	69.4 =	11243	
			5975849	
5 ^{es} E	125.4 x 195.0 = 24453	27.2 =	665122	
6 ^{es} E	66.0 x 8.0 = 528	27.2 =	14362	
	157.8 x 187.0 = 29509	27.2 =	802645	
	78.0 x 194.9 = 15202	27.2 =	413494	
	46.0 x 114.9 = 5285	27.2 =	143752	
			2039375	
7 ^{es} E	26.0 x 66.0 = 1716	24.0 =	41184	
Duct	90.0 x 167.0 = 15030	24.0 =	360720	
	190.9 x 171.0 = 32644	24.0 =	783456	
	40.3 x 166.9 = 6726	24.0 =	161424	
	46.0 x 86.9 = 3997	24.0 =	95928	
			1442712	
8 ^{es} E	65.0 x 165.0 = 10725	28.4 =	304590	
9 ^{es} E	240.8 x 167.0 = 40214	28.4 =	1142078	
	128.0 x 2.0 = 256	28.4 =	7270	
	12.8 x 164.9 = 2111	28.4 =	59952	
	46.0 x 84.0 = 3864	28.4 =	109738	
			1623628	
10 ^{es} E	147.8 x 163.8 = 24240	137.6 =	3331296	
11 ^{es} E	35.0 x 167.3 = 5856	137.6 =	805786	
	35.0 x 168.3 = 5891	137.6 =	810602	
	20.0 x 143.8 = 2876	137.6 =	395738	
	2.0 x 96.0 = 192	137.6 =	26419	
			5369841	
12 ^{es} E	211.8 x 131.3 = 27809	45.0 =	1251405	
22 ^{es} 23 ^{es} E	184.8 x 115.0 = 21252	25.7 =	546176	
24 ^{es} 25 ^{es} E	123.3 x 65.2 = 8039	29.0 =	233131	
			21931761	

Stargard Lafayette

Superficie totale.
 5.52.135 1219941 f²
 12^{es} Haut 376159 f²
 1596100

S y 11

#170896
 (2) (30)

PLANCHER TYPE 11^e ÉTAGE
 SUPERFICIE INTERESSEE

31.0 x	3.0 =	93
35.0 x	1.5 =	53
99.5 x	17.2 =	1711
84.0 x	56.8 =	4771
78.7 x	162.5 =	12789
61.2 x	19.1 =	1169
26.0 x	1.5 =	39
		<u>20625</u>

OK

	<u>PLANCHERS</u>			<u>TOTAUX</u>
<u>MASTICUM</u>	12400	100 - 4000	=	16500 [□]
<u>DURALITIC</u>	1308	33126 - 21217	=	55651 [□]
<u>QUICKRY TILE</u>	7800	5752 - 7629	=	21181 [□]
<u>CHIPS</u>	4200		=	4200 [□]
<u>REFLECT (5)</u>	4200	7500	=	11700 [□]

OK

Georgette

PLANCHER TYPE 11^s ETAGE
2^e Etage Aldred Bldg

TERRA COTTA

5 I @ 17.5 -	487.0 =	8523		
7 I @ 20.0 -	12.5 =	250		
10 I @ 23.5 =	149.5 =	3513		
12 I @ 31.0 -	38.5 =	1194		
14 I @ 30.0 -	111.5 =	3345	111.5 x 2.0 =	2196
14 I @ 33.0 -	43.0 =	1419	43.0 x 2.0 =	
16 I @ 35.0 -	44.5 =	1557	44.5 x 2.0 =	
16 I @ 40.0 -	302.0 =	12080	302.0 x 2.0 =	789
18 I @ 54.5 -	197.0 =	10737	197.0 x 2.0 =	
18 I @ 64.5 -	400.0 =	25800	400.0 x 2.0 =	748
20 I @ 59.5 -	103.5 =	6158	103.5 x 3.0 =	
20 I @ 73.0 -	119.5 =	8723	119.5 x 3.0 =	
22 I @ 65.5 -	40.0 =	2620	40.0 x 3.0 =	605
24 I @ 95.5 -	46.0 =	4393	46.0 x 4.0 =	
24 I @ 104.5 -	25.0 =	2613	25.0 x 4.0 =	
24 I @ 114.0 -	25.0 =	2850	25.0 x 4.0 =	1492
24 I @ 73.5 -	58.0 =	4263	58.0 x 4.0 =	
26 I @ 85.5 -	29.0 =	2479	29.0 x 4.0 =	
28 I @ 100.0 -	4.0 =	400	4.0 x 4.0 =	925
30 I @ 129.0 -	121.0 =	15609	121.0 x 5.0 =	
18 G @ 87.5 -	320.0 =	28000	320.0 x 4.0 =	
18 G @ 100.0 -	25.0 =	2500	25.0 x 4.0 =	2181
20 G @ 107.0 -	28.0 =	2996	28.0 x 4.0 =	
24 G @ 121.0 -	76.0 =	9196	76.0 x 5.0 =	
26 G @ 144.0 -	57.0 =	8208	57.0 x 5.0 =	4214
28 G @ 175.0 -	25.0 =	4375	27.0 x 5.0 =	
30 G @ 200.0 -	25.0 = (17800)	5000	25.0 x 5.0 =	
37.5 -	84.0 =	3150	84.0 x 6.0 =	4214
99.5 -	14.0 =	1393	14.0 x 6.0 =	
129.5 -	28.0 =	3458	28.0 x 6.0 =	
169.0 -	14.0 =	2366	14.0 x 6.0 =	630
183.0 -	70.0 =	12810	70.0 x 6.0 =	
187.5 -	42.0 =	7875	42.0 x 6.0 =	
220.5 -	14.0 =	3087	14.0 x 6.0 =	13783
228.5 -	98.0 =	22393	98.0 x 6.0 =	
237.0 -	98.0 =	23226	98.0 x 7.0 =	
254.0 -	28.0 =	7112	28.0 x 7.0 =	630
262.5 -	14.0 =	3675	14.0 x 7.0 =	
279.5 -	112.0 =	31304	112.0 x 7.0 =	
288.5 -	28.0 =	8078	28.0 x 7.0 =	630
310.1 -	210.0 =	65121	210.0 x 7.0 =	
334.1 -	14.0 =	4677	14.0 x 7.0 =	
337.3 -	28.0 =	9444	28.0 x 7.0 =	630
357.7 -	14.0 =	5008	14.0 x 7.0 =	
372.9 -	28.0 =	10441	28.0 x 7.0 =	
381.7 -	14.0 =	5344	14.0 x 7.0 =	630
397.0 -	14.0 =	5558	14.0 x 7.0 =	
412.3 -	28.0 =	11544	28.0 x 7.0 =	
427.6 -	14.0 =	5986	14.0 x 7.0 =	630
458.2 -	14.0 =	6415	14.0 x 7.0 =	
473.5 -	14.0 =	6628	14.0 x 7.0 =	
487.1 -	14.0 = (272913)	6814	14.0 x 7.0 =	
		451714		

Lengua Pagnette

4

SUN LIFE BLDG

#140896 (5)

(33)

MURS EXTERIEURS GRANIT
Rue Dorchester.

212.8 x 82.4 =	17535
194.9 x 31.2 =	6081
170.8 x 24.0 =	4099
252.0 x 92.4 =	23285
282.6 x 28.4 =	8026
164.8 x 10.0 =	1648
172.3 x 144.6 =	24915
131.3 x 50.0 =	6565
115.0 x 35.7 =	4106
65.1 x 29.0 =	1888

Cote Nord (ruelle) 98148

211.0 x 82.4 =	17386
211.0 x 31.2 =	6583
223.0 x 24.0 =	5352
165.0 x 28.4 =	4686
171.3 x 144.6 =	24770
131.3 x 50.0 =	6565
115.0 x 35.7 =	4106
65.1 x 29.0 =	1888

(Rue Metcalfe) 71336

492.9 x 82.4 =	40615
422.9 x 31.2 =	13194
370.9 x 24.0 =	8902
380.8 x 28.4 =	10815
245.8 x 144.6 =	35543
211.8 x 50.0 =	10590
184.8 x 35.7 =	6597
123.3 x 29.0 =	3576

(Rue Mansfield) 129832

442.5 x 82.4 =	36462
407.5 x 31.2 =	12714
363.5 x 24.0 =	8724
368.5 x 28.4 =	10465
245.8 x 144.6 =	35543
211.8 x 50.0 =	10590
184.8 x 35.7 =	6597
123.3 x 29.0 =	3576
81.0 x 28.0 =	2268

126939

TOTAL = 426255

Superficie nette.

426255	OK
<u>44315</u>	
381940	
-(912+720) =	380,308

CHASSIS (cuirre, cadre acier)

3 x 1.5 x 5 =	23
149 x 2.0 x 5 =	1490
206 x 2.0 x 7 =	2884
36 x 2.5 x 6 =	540
60 x 3.0 x 4 =	720
47 x 3.0 x 6 =	846
307 x 3.0 x 7 =	6447
12 x 3.0 x 8 =	288
26 x 3.5 x 7 =	637
82 x 3.5 x 8 =	2296
68 x 4.0 x 4 =	1088
828 x 4.0 x 7 =	23184
121 x 4.0 x 8 =	3872
<u>44315</u>	OK

PORTES

1 - Garage (over-head - autom. - elect.)
16' x 12' = 120

14 x 5 x 12' =	840	(bronce)
2 x 4 x 9' =	72	(acier)
<u>912</u>		OK

COLONNES (Granit)

30 (π 2.5 ²) 56' =	32984.03	
56 (π 1.75 ²) 34' =	18320.03	
21 (π 2.5 ²) 28.4 =	<u>11716.03</u>	OK
	63020.09	

Vitrines (Plac)

15 x 6 x 8 = 720

OK

Rue Laquette

⑥ #140896 (34)

SATILLIES

54 piéds (2.00m) 52' larg. = 2808 OK

PLOMBERIE

465 w.c.
 139 urinoirs
 117 slab SINKS
 345 lavetos OK
 33 toilettes
 118 baignoires

CHAUFFAGE

16-17-18 (Chauffage non raccorde)
 19-20-21 (pas de chauffage)
 22-23 (chauffage non raccorde)
 24-25 (pas de chauffage) OK

ESCALIERS

E.M.F.F. 4' 16 x 22m = 352
 E.M.F.E. 4' 3 x 30m = 90
 E.M.M. 4' { 96 x 24m = 2304 }
 - dit - { 8 x 28m = 224 } 2888
 - dit - { 8 x 45m = 360 }
 M.M.M. 6' 2 x 28m = 56
 M.M.M. - 10' 1 x 10m = 10
 - dit - 12' 1 x 12m = 12
 M.M.M. - 22' 1 x 8m = 8
 F.B.F. - 4' 12 x 24m = 288
 - dit - 4.5' 10 x 23m = 230
 - dit - 4.5' 1 x 27m = 27
 dit - 20m = 20

PALIERS

F.M. 132 x 4' x 8' = 4224 □
 Cim. 11 8 x 6 x 6 = 288 □
 F.M. 3 x 4 x 8 = 96 □
 F.B.S. 12 x 4 x 8 = 384 □
 F.B.S. 11 x 4.5 x 8 = 396 □

CAGES (Tenza Cotta 8)

2166 x 60' = 129960 □
 15 x 52' = 780 □
 130740 □
 - Portes = - 5000 □
 NET = 125740 □
 OK

ASCENSEUR

(Ascenseur à traction par câbles)
 2200, Chemin de
 Cage 2.00m x 1.00m
 2.00m x 1.00m
 Portes 2.00m x 1.00m

	Pass.	Porte	Ferret
1 ^o S-S.	20	Fer.	5 ✓
2 ^o S-S.	6	Fer.	4 ✓
3 ^o S-S.	4	Fer.	3 ✓
RdC.	20	Brz. LUX	5 ✓
1 ^o Ft.	20	(rien)	5 ✓
2 ^o "	20	Brz. Lux	5 ✓
3 ^o "	20	"	5 ✓
4 ^o "	20	"	5 ✓
5 ^o "	20	"	5 ✓
6 ^o "	20	"	5 ✓
7 ^o "	20	"	5 ✓
D.F.	20	(rien)	5 ✓
8 ^o Ft.	16	Brz. Lux	2 ✓
9 ^o "	16	Acier	2 ✓
10 ^o "	16	"	2 ✓
11 ^o "	16	"	2 ✓
12 ^o "	16	"	2 ✓
13 ^o "	16	"	2 ✓
14 ^o "	16	"	2 ✓
15 ^o "	16	"	2 ✓
15 ^o "	8	"	2 ✓
16 ^o "	8	(rien)	2 ✓
17 ^o "	8	(rien)	2 ✓
18 ^o "	8	(rien)	2 ✓
19 ^o "	8	(rien)	1 ✓
20 ^o "	8	(rien)	1 ✓
21 ^o "	8	(rien)	1 ✓
22 ^o "	8	"	1 ✓
23 ^o "	8	"	1 ✓

RdC au 5^o { Asc. Privé Cher Lux.
 2 Portes Brz. ✓

OK.

Georges Laguerre

#140896 (3500)
PLAFONDS

DIVISIONS

T.C. 8" and D.	T.C. 6" and D.	T.C. 4" and D.	T.C. 6" (nu)	Br 12" and D.
•18162	62400	•9081	4955	•1800
	55846		19820	
	•9082		19820	
	72000		15000	
	33120		6400	
	60720		12800	
	22320		3120	
	40800		3120	
	24700		1840	
	24700		4292	
	24700			
	19820			
	14865			
	19820			
	19820			
	19500			
	49400			
•18162	504531	•9081	91167	•1800
OK	•9082	Adéduire 125740	OK	OK
		121530	OK	OK
		121530	OK	OK

77425
83100
56340
72720
40000
77100
77100
77100
66700
66700
52500
50700
41135
24600
25540
32850
34050
34850
990510

FONDATEMENTS

792' x 2.2 x 40' = 69696'
202' x 1.0 x 16' = 3232
491' x 2.2 x 24' = 25925
174' x 1.0 x 28' = 4872
20 x 4.0 x 4.0 x 28' = 8960
9 x 11.0 x 4.0 x 28' = 11088
19 x 11.0 x 4.0 x 44' = 36784
31 x 4.0 x 4.0 x 44' = 21824
• 182381 pds c.w.

fondations
"
"
"
(piliers int) sur fondation
contre-forts

Beaufort apertures

CREUSAGE

289' x 215 x 40' = 2485400
140 x 215 x 24' = 722400
3207800 ÷ 27 = 118807 vgs
OK

LANTERNEAUX

40 x 3.0 = 120
40 x 92' = 3680
46 x 80 = 3680
7480

OK

Curie, Verre Broche
-do-
Curie, Verre

⑧ # 1408'6 (36)
COUVERTURES

(6'x6'x1") TUILE = 39230^{sq}
 ASP. = 36830^{sq} *OK.*

ENDUITS SUR MURS EXT.

1° SS = 95% x 1264 x 13 = 15610
 2° SS = 1264 x 13 = 16432
 RdcC = 90% x 1340 x 14 = 16884
 1° Et = 1340 x 12 = 16080
 2° Et = 1600 x 13 = 20800
 3° Et = 1600 x 13 = 20800
 4° Et = 1600 x 12 = 19200
 5° Et = 1480 x 13 = 19240
 6° Et = 1480 x 12 = 17760
 7° Et = 1380 x 8 = 11040
 Duct = 1380 x 14 = 19320
 8° Et = 1180 x 13 = 15340
 9° Et = 95% 1180 x 13 = 14573
 11° Et = 75% 820 x 13 = 7995
 14° Et = 97% 820 x 13 = 10340
 15° Et = 820 x 11 = 9020
 15° A = 820 x 13 = 10660

= 261094

DEDUCTIONS

RdcC 220^{sq}
 9° 130^{sq}
 11° 308^{sq}
 14° 44^{sq}
 702^{sq}

44315^{sq}

> - 43613

= 217481 *OK.*

- 702^{sq}
43613^{sq}

TERRA-COTTA 4" (net)

1° SS = 5% x 1264 x 13 = 822^{sq}
 RdcC = 10% x 1340 x 14 = 1876^{sq}
 9° 5% x 1180 x 13 = 767^{sq}
 11° 25% x 820 x 13 = 2665^{sq}
 12° 820 x 13 = 10660^{sq}
 13° 820 x 13 = 10660^{sq}
 14° 3% x 820 x 13 = 320^{sq}
 16,17,18 820 x 38 = 31540^{sq}
 10° (net) = 9340^{sq}

TOTAL = 68650^{sq}

- DEDUCTIONS = - 6850^{sq}

BAK. = 61800^{sq} *OK.*

DEDUCTIONS

RdcC 14 = 700^{sq}
 12-13 = 246^{sq}
 16-17-18 = 3690^{sq}
6850^{sq}

Terra-Cotta

PLAINTIFF'S EXHIBIT P-5 AT ENQUETE

Copy of report by Mr. Lobley on the actual value of the Sun Life Building.

10

MOLSON, LOBLEY & COMPANY
LIMITED
Valuations & Property Management
485 McGill Street, Montreal

3rd January 1943

Sun Life Assurance Company of Canada,
Montreal, Que.

20

Dear Sirs:

As instructed I have examined the property hereinafter described and now report to you the value thereof in my opinion:

Cadastral Description:

30

Part Lot 1439	Lot 1447	and Part Lot 1373
Lot 1440	Lot 1448	“ “ 1374
“ 1444	“ 1449	“ “ 1375
“ 1445	“ 1450	
“ 1446	“ 1451	

of the Official Plan and Book of Reference of Saint Antoine Ward of the City of Montreal, together with buildings thereon erected.

The Elementary Principles which have Governed my Considerations:

40

I. To state the value of anything in terms of money is to express the opinion that the thing valued is susceptible to being exchanged for the amount of money stated.

To express the value of anything in terms of money with a provision that it can never be exchanged for the amount of money stated is as offensive to the intellect as a promissory note in the body of which is incorporated a declaration by the debtor that he will never be willing or able to pay the debt.

- II. Qualities which are imparted to a thing by the owner but which cannot be transferred to another along with the thing do not affect the value of it.
- 10 III. Any particular and perhaps profitable use which the owner of a thing makes of it does not increase its value; it is the use which can be made of the thing by others which determines the value.
- IV. Replacement cost is not a measure of value; it merely constitutes a ceiling over which value cannot normally go.

Definition:

20 Value, for the purpose of this evidence, pertains to actual value, that is, the price at which an owner is willing to sell, but does not have to sell, to a buyer who is willing to buy, but does not have to buy.

Introduction:

30 The Sun Life Building is one of the largest office buildings in the world. As a real estate agent and business man with a knowledge of the economic and political conditions, history and background of our country, I am convinced that there does not exist an actual or potential "willing buyer" who would desire to possess the Sun Life Building for his sole occupancy. I shall therefore confine myself to the considerations of a "willing buyer" who would desire to buy the property so as to obtain a permanent income-producing investment and who would therefore be concerned with two paramount considerations:

- (i) Rate of yield:
- (ii) The enduring certainty of the yield and of the rate thereof.

40 *Programme of Investigation:*

The "willing buyer" would examine the proposed investment from the following viewpoints:

- (a) The physical characteristics of the building, its dimensions, workmanship and materials of construction and state of repair;

- (b) Utility of the building and its functional capacities;
- (c) Net income-yield which the building presently produces and the extent to which this yield may vary as the future unfolds;
- (d) Rate at which the expected net yield should be capitalized.

10

PHYSICAL CHARACTERISTICS OF THE BUILDINGS

See Exhibit "A" — Photographs of the Building.

The building may be described as three blocks of diminishing size superimposed each upon the other, together with a heating plant which is below the grade, separate from the building and connected therewith by two underground tunnels for the accommodation of pipelines and traffic.

20

The first block of the building has a frontage on Metcalfe Street of approximately 418 feet by a depth of approximately 220 feet, occupying an area of approximately 87,132 square feet outside measurements. This block contains twelve storeys, one of which is entirely given up to the accommodation of mechanical equipment for the operation of the building.

Proceeding upwards, the outside dimensions of the next block at its base are approximately 240 feet facing on Metcalfe Street by a depth of 168 feet, giving an approximate area of 38,400 square feet. This block contains nine storeys, one of which is entirely given up to the accommodation of machinery for the operation of the building.

30

The uppermost block has dimensions at its base of 200 feet facing on Metcalfe Street by a depth of approximately 134 feet, giving an area of approximately 26,800 square feet. This block contains seven storeys, three of which are entirely given up to the accommodation of machinery for the operation of the building.

40

The foundations of the building which extend deeply into the ground enclose a basement, sub-basement and sub-sub-basement, which provide space for machinery necessary for the operation of the building (other than the heating plant) and for storerooms both for the use of tenants and for materials necessary for the operation of the building.

Throughout the building the quality of the materials and workmanship of construction is of the highest order. The building is in a good state of repair and maintenance, subject only to accumulating items of renewal or replacement which cannot be practically dealt with from day to day, e.g., boilers, elevators, wiring and-the-like.

- 10 The economic life of a building of this type is a comparatively brief affair in comparison with its physical life. Physical depreciation of the shell of the building will take place slowly; obsolescence will occur more rapidly; but by far the most important thing to bear in mind is the probable duration of the economic life or profitable career of the property.

UTILITY OF THE BUILDING AND ITS FUNCTIONAL CAPACITIES

- 20 *Exhibit "B" — Photographs of Typical Office Space
in the Building.*

In the designing of a modern office-building the shape of the envelope as well as the general planning of the structure are made to conform to the efficient functioning of the interior space to the fullest extent that enterprise will permit. Certain ideals are aimed at for lay-out, lighting, ventilation and spacing of columns and supporting walls.

- 30 The Sun Life Building is a massive and monumental structure. Quite apart from the large amount of embellishment with which it is adorned, the fact that it was constructed in the form of a block so as to completely cover an unusually large plot of land made it inevitable that the interior planning and lay-out of the building from a functional viewpoint had to be subordinated to the shape of the envelope and to the large amount of structure to be supported by the interior columns. For example, it is a known fact that a depth from standard window of 25' constitutes the limit of practical daylight-illumination and beyond that limit artificial-illumination must be employed to an increasing extent as the depth increases. Areas greater than 40' from windows are regarded as unsatisfactory for office work because they are entirely dependent upon artificial light. (See exhibit "B"). Applying these rules, for example, to the ground floor of the Sun Life Building, which has a total area of approximately 81,000 square feet, we find that only 28,000 square feet occur in the 25' band of outside space, 14,000 square feet in the 15' band of twilight space and the remainder of the space is

dark space. This condition occurs throughout the whole of the main block of the building, excepting that it is mitigated to some extent by a lightwell which occurs at the south end of it. This lightwell, however, is a small affair having average dimensions of about 50' x 100'; it is only effective as a vehicle for conveying daylight from the 5th to the top of the main block. The main block of the building also contains about 170 columns, each of which is about 5' to 6' square. These columns are distributed with a fair degree of regularity throughout the whole of the space in this block, being necessary because of the shape and size of the building, and to provide ventilation-ducts; the columns present formidable obstacles to the efficient lay-out and maximum use of the available floor space.

In order to produce the effects of symmetry, balance and variety on the enormous façades of the building, the 4th floor has been equipped with small windows; also for the same reason the 5th, 7th, 20th and 23rd floors are surrounded by high stone balustrades which unfortunately in the case of the 20th and 23rd floors shut out about 50% of the daylight, and in the 5th and 7th floors seriously affect the lighting qualities of the space. The large columns which characterize the main entrance to the front and rear of the building obstruct the penetration of daylight to large areas of the office space on the ground floor and the first to third floors inclusive.

The light-conditions in the second block are better than those in the main block to the extent that 79% of the rentable floor area in the second block is within the 25' outer band whereas only 64.5% of the rentable floor space in the second block falls into this band. Nevertheless, the improvement is not proportionate to the reduction in total rentable area because this reduction occurs at the narrow ends of the building, namely, the north and south ends.

The light conditions of the top block of the building by reason of the setbacks which occur from the 20th floor upwards, are fairly satisfactory, although even in this block a substantial area of inner space on each floor must depend on artificial light. Unfortunately, in this block useful office space is comparatively small because about 55% of all the space in this block is given up to machinery and other service areas.

At this point it might be well to mention the 20th & 23rd floors:

The stone balustrades which surround these floors so greatly impede the entrance of daylight that it is questionable whether it would ever be profitable to finish the space and offer it for rental. The cost of finishing the space and the annual expense for servicing it would in all probability closely approximate the highest possible rental-revenue that could be derived from the finish space.

10

The proportion of the total floor space which is given up to service areas and is therefore non productive is 45.8%. (See Exhibit "D".) By reason of the design of the building this situation is now inescapable and unchangeable excepting at prohibitive capital cost. Good practice in the design of modern office-buildings limits the proportion to 30%. This unusually high proportion of nonproductive space is a handicap to the profitable operation of the building.

20

NET INCOME YIELD

1. *Gross Rental Income*

Exhibit "C" — A plan of each floor in the building accounting for the use and occupancy of all interior space under the following headings:

- (i) Space rented to tenants;
- 30 (ii) Space occupied by Sun Life Company;
- (iii) Service areas;
- (iv) Unfinished vacant space;
- (v) Finished vacant space.

Exhibit "D" — An analytical summary of each floor in the building disclosing the following information:

- 40 (i) Use and occupancy in terms of dimensions of space;
- (ii) Present income from rentable space;
- (iii) Average rates of rental presently attributable to rentable space;
- (iv) Percentages and proportions.

From these exhibits the following tables have been extracted:

TABLE 1

Dimensions

	Total rentable area:	778,836	Square Feet	%
	“ service “ :	657,447	“ “	54.2†
				45.8
10	“ floor “ :	1,436,283	“ “	100.0

TABLE 2

Use and Occupancy of Rentable Area

	Rented to tenants:	310,333	Square Feet	%
	Occupied by Sun Life Company:	379,217	“ “	39.9
	Vacant finished space:	16,655	“ “	48.7
20	“ unfinished space:	72,631	“ “	2.1
				9.3
		778,836		100.0

† includes 27,145 square feet of space on 20th and 23rd floors which are surrounded by high stone balustrades and which it may not pay to finish and offer for rental.

30

TABLE 3

Gross Rental Income

	Area	Average		% of
Occupancy	in Square Feet	Rate per	Income	Income
		Square Foot		
Tenants	309,733	\$1.57	\$487,422.00	44.
Concessionaire	600	—	5,600.00	.5
Sun Life	379,217	1.62	615,801.00	55.5
40				
	689,550	\$1.60	1,108,823.00	100.0

In the development of the foregoing figures I have attributed for the space occupied by the Sun Life Company the following per square foot per annum rates:

Basement space	\$0.55
Banking hall	7.50
Ground floor	2.12
Club and hall	3.00
Other space	1.50

These rates are in line with the rates which are being paid by other tenants for substantial quantities of equivalent space in the building; they are also the highest rates which I believe the space would command in the open market at this present time or as far into the future as I can foresee.

At this point I make the following observations and deductions from the facts and figures disclosed by Exhibit "D";

88.5% of the rentable space in the building is presently occupied, leaving a vacancy of 11.5% which includes 27,145 square feet of dark space on the 20th and 23rd floors. The building is therefore presently enjoying maximum occupancy, because a vacancy of at least 10% in a building of this character must be regarded as constant in order to provide for tenant-casualties and tenant-turnover.

20 A very large office-building of this character which provides shelter and places of business for a great number of enterprises and business activities, including some of the biggest concerns in the world (e.g., Aluminum Company of Canada), creates its own community; the "going rentals" which tenants are prepared to pay for space in such a building constitute the most dependable index of the rental-value of the space.

30 As a starting point for his considerations of annual Gross Income the "willing buyer" would employ the figure of \$1,108,823.00 and would contemplate three possibilities: Will this figure remain constant? Will it increase or will it decrease? The answer to these questions depends upon political and economic considerations and upon the "willing buyer's" opinion as to the policy that will obtain in Canada and the United States after the war and the type and form of economy with which such polity will be associated. Will the period of transition from the economy of war to that of peace be characterized by a continuance of our present polity and present degree of employment and business prosperity, or by different polity or by prolonged unemployment and business depression?

40 That part of the "willing buyer's" wealth which he proposes to transform from one or more kinds of security into this important item of real property is a feature of a capitalistic system. If this system should change, his wealth might vanish, regardless of the form or type of security in which it was invested. Therefore, he should in all logic proceed with his considerations on the assumption that a capitalistic system will subsist

after the war and that it will not be accompanied by great unemployment or business depression. This is also my conviction.

10 In summing up his considerations at the point the "willing buyer" will, on the one hand, contemplate the size and importance of the City of Montreal; its unique geographical position; the potentialities and undeveloped resources of Canada; the enter-
prise, character and industry of the Canadian people; the im-
portance of the site of the Sun Life Building and the anchorages
that surround it; the fact that the magnificence, size and exclu-
sive character of the building constitute a "good address" — all
of which will make for a sustained demand for space in the
building. On the other hand, he will recognize the serious func-
tional disabilities of the building in the matter of lighting and
office subdivision; he will be conscious of the inescapable finan-
cial handicap caused by the disproportionate amount of service
20 area; he will recognize the competition for tenants which the
building has encountered in the past and will without doubt en-
counter in the future. It is my opinion that the "willing buyer"
would display good judgment and reasonable optimism if he
should accept as an average annual rental-income from the long-
range viewpoint a figure equivalent to that which I have estab-
lished as the present annual rental-value of the building, namely,
\$1,108,823.00.

II. *Operating Costs*

30 The "willing buyer" will study this subject under three headings:

- (a) Ordinary annual operating expenses;
- (b) Major items of renewal & replacement and depreciation;
- (c) Obsolescence and extraordinary tenants' alterations.

40 *Ordinary Annual Operating Expense.*

The "willing buyer" will examine the past performance of the building and will average the costs established in prior years. In this case he will consent himself with the calendar years 1941 and 1942 because prior to 1941 the building was only partly occupied and the relative operating costs cannot be satisfactorily weighted and adjusted to throw much light on the future.

The average ordinary operating expense for the calendar years 1941 and 1942 as shown by the books of account of the Sun Life Company is:

	Salaries and wages	\$256,848.00
	Materials	56,618.00
10	Fuel	36,720.00
	Electrical energy	54,278.00
	Alterations and other repairs	28,528.00
	Insurance	2,539.00
	Miscellaneous	10,231.00
		<hr/>
		\$445,762.00
		<hr/>

20 Taking into consideration the abnormally high proportion of service area which the building contains and the annual cost of heating, lighting and maintaining this area and from a study of the building and the operation of it I am satisfied that the building is skilfully, efficiently and economically operated and that the expense disclosed for the years 1941 and 1942 is reasonable and appropriate to the labor and material prices and costs that obtained in those years.

30 Taking into consideration the reserves referred to later on in this report and the relatively high prices of labor and material that characterized the years 1941 and 1942. I am of the opinion that the "willing buyer" would be sufficiently conservative if he were to employ a figure of \$430,000.00 for the long-run estimate of ordinary annual operating expense.

*Major Items of Rental & Replacement
and Physical Depreciation.*

40 Because of the massive nature of the structure in all its parts, the excellence and durability of the materials of construction and the high quality of workmanship that have gone into it, and because of the margin that has been provided to withstand the ravages of time, depreciation in the sense of physical and chemical change will occur at an unusually low rate. Furthermore, an orderly and prompt programme of doing repairs and maintenance, which must of necessity be consistently followed in a building of this kind, will maintain the structure and some of the equipment in as-good-as-new condition at all times and the cost thereof will continue to be reflected in the annual Operating Expense on the 1941-1942 basis. In providing a reserve for phys-

ical depreciation the "willing buyer" will therefore be particularly concerned in anticipating the cost of certain accumulating items of replacement which will occur at long intervals, e.g., boilers, elevators, wiring and the roof. From a study of the building and its equipment I have formed the opinion that the "willing buyer" would display sound and expectable judgment by providing an annual reserve of \$50,000.00 under this heading, 10 on the assumption that it would be invested in a cumulative sinking-fund at 3% interest.

Obsolescence and Extraordinary Tenants' Alterations.

While it is true that the most important and difficult judgment which the "willing buyer" must make has to do with the postwar polity and economy of Canada and the United States, nevertheless the subject of obsolescence and of changes in habits of living and doing business is of almost equal gravity and importance. The inventions and discoveries of the past century have 20 drastically and progressively changed our methods and habits of living and of doing business and there is no reason to suppose that the limits of science have been exhausted and that the next fifty years will not bring forth as many inventions and discoveries as the past fifty years. New and greatly improved methods of lighting, ventilation and transportation may emerge; new methods for the transmission of news, information and communications may conceivably and quickly relegate to the limbo of 30 old-fashioned things much of the equipment of the Sun Life Building and may also conceivably demand great and costly alterations to the interior design and layout. The "willing buyer" would certainly make some substantial provision for the cost of keeping abreast of the times and for the scrapping of old-fashioned equipment, even though its useful life may be little impaired. He should also include in this provision a reserve to provide for substantial expenditures under the heading of extra-ordinary tenants' alterations which he is bound to encounter in the next 40 twenty years as a result of changes in use and type of occupancy of his building. In my opinion the "willing buyer" should set aside \$50,000.00 per annum in the form of a sinking-fund as reserves for these contingencies and as an insurance against the large costs which will surely descend upon him if he is to cope with the influence of future inventions and discoveries on the use and popularity of his building and to project as much as possible the ultimate termination of its economic life.

Net Operating Return.

The “willing buyer” is now in a position to recapitulate and assemble his facts, considerations and judgments in the following statement:

	Rental Income	\$1,109,000.00
10	Ordinary Operating Expense	\$430,000.00
	Reserve for major items of replacement and renewal	50,000.00
	Reserve for obsolescence and for extraordinary tenants' alterations	50,000.00
		530,000.00
	Net operating return before providing for municipal real estate taxes	579,000.00
20	Provision for municipal real estate taxes on a basis of a municipal valuation of \$7,250,000.00 for land & building and heating plant	217,000.00
		217,000.00
	Net Operating Return	\$ 362,000.00

Rate at which the Expected Net Operating Return should be Capitalized.

30 The “willing buyer” in this case is an “investment buyer”; he has a tremendous amount of money to invest; he has certain theories and beliefs; he has faith in real property; he believes that real property provides a greater degree of security than many other types of investment, but if he is a rational and normal individual his theories will not go so far as to propose that any investment in Canada is more secure than an obligation of the Dominion Government.

40 The “willing buyer” would also recognize the well-established investment-principle that the rate of yield varies inversely with the liquidity of the security. Thus, if a Dominion of Canada bond which can be immediately liquidated, yields 3%, an investment in real property which might take years to liquidate, would demand a rate of yield in excess of 3%, and the question which the “willing buyer” must decide is: What should the differential be? Being real-estate-minded, the “willing buyer” might invest his capital in a portfolio of mortgages at the going Canadian rates of 5%, but from this rate he should make some deduction for the cost of management of the mortgages and for casualties. This I estimate should be 1/2 of 1%, leaving a net yield

of $4\frac{1}{2}\%$. The security afforded by this class of security would provide a margin of value of approximately 40% and the risk would be spread over a number and variety of properties.

Conclusion.

In reaching an opinion as to the value of the Sun Life Building my final consideration has been the "willing seller." He is not forced to sell; he is not compelled to liquidate his assets to pay his debts; he merely desires to transform one investment into another. The investment which he presently possesses is an unusually large office-building; he has a very large amount of money tied up in it and would like to liquidate his investment and put out some or all of the proceeds thereof in some other form of investments — possibly following a pattern of diversification. The "willing seller" must concede the following points to the "willing buyer": He is relieved of all worry and responsibility for the management and operation of a large office-building; he is liquidating a very large investment and will be in a position to re-invest his capital in any form of diversification he may desire. The price he must be willing to pay for the purposes he has in mind is, in effect, a reduction in the rate of yield. If his investment in the Sun Life Building yields him 5% and he now desires to invest the capital in Dominion of Canada bonds and enjoy the security and liquidity thereof he must be prepared for a reduction in yield from 5% to 3%.

30 *Valuation.*

I have combined the value of the land and building in one total because I believe that the parcel of land upon which the building stands is as fully developed, equipped and employed as it is possible so to be.

40 My valuation of the property, including land, building and heating plant, is developed by capitalizing the net expectable operating return (after making reserves for accumulating repairs, physical depreciation and obsolescence) at a rate of 5%, which is. . . SEVEN MILLION TO HUNDRED AND FIFTY THOUSAND DOLLARS.

Yours truly,

O. Lobley,
Valuer.

Name and Qualifications of the Valuer:

Owen Loble, Rentals Administrator.

Age: 55 years.

Real estate agent, property manager and professional valuer engaged during the past ten years from time to time to value properties by the following:

10 Inspector of Succession Duties, Dominion Government;
Inspector of Insurance, Dominion Government;
Inspector of Insurance, Province of Quebec;
The Standard Life Assurance Company;
Scottish Union and National Insurance Company;
La "Sauvegarde" Life Insurance Company;
The Royal Trust Company;
The National Trust Company Limited;
The Waterloo Trust and Savings Company;
The Council of the Municipality of Newcastle, N.B.

20 Messrs. Holden, Heward & Holden;
Messrs. Mann, Lafleur & Brown;
Messrs. Lacoste & Lacoste;
Messrs. P. S. Ross & Sons;
Messrs. McDonald, Currie & Company;
Messrs. Butler, Wyckoff & Reid, New York City;
and other firms and individuals.

Examples of large buildings which have been valued by the witness in the past ten years:

30 Keefer Building, Montreal;
Read Building, Montreal;
Shaughnessy Building, Montreal;
The Building of Henry Morgan & Co. Ltd., Montreal;
Head Office of La Société des Artisans Canadiens-Français, Montreal.

40

PLAINTIFF'S EXHIBIT P-7 AT ENQUETE

Statement of Analysis of Space.

DEFENDANT'S EXHIBIT D-28 AT ENQUETE

Letter from Mr. H. Marshall, Dominion Bureau of Statistics.

10

DOMINION BUREAU OF STATISTICS
Internal Trade Branch

Ottawa, Canada,

February 5, 1943.

Westmount Realities Company,
1367 Greene Avenue near Sherbrooke Street,
Westmount, Quebec.

20

Attention: Mr. H. Mills.

Dear Sirs:

In compliance with your request of February 1st, we are pleased to enclose a statement showing index numbers of building material prices and of wage rates in the building trades for years prior to 1920. The wage rate index is constructed by the Dominion Department of Labour.

30

Yours very truly,

HFG/C
Enc.

H. Marshall, Chief,
Internal Trade Branch.

40

DEFENDANT'S EXHIBIT D-16 AT ENQUETE

Report of Mr. Harold Mills.

Montreal, Quebec,
March 5th, 1943.

10 City of Montreal,
City Hall,
Montreal,

Attention Mr. R. N. Seguin,
Assistant City Attorney.

Gentlemen:

Re: *Sun Life Head Office Property*

20

In accordance with your request, we have made a careful inspection of the real estate comprising the Head Office property of the Sun Life Assurance Company of Canada, more fully described on page 4 of the accompanying report, for the purpose of estimating the 'real value' of this property as of December 1st 1941.

30

The property embraces two separate emplacements of land, containing areas of 91,724 square feet and 9,009 square feet respectively. On the larger emplacement is erected a twenty-four storey office building, with three basements below ground, and on the smaller emplacement is a power house which serves the office building. A plot plan of the land and buildings is shown on page 3 of the accompanying book of exhibits.

We have considered all of the factors of value related to the subject property, viz:

40

- (a) character and trend of the neighbourhood.
- (b) desirability and use of the land on which the buildings are erected.
- (c) purchase price and present value of the land.
- (d) purpose for which the buildings were erected and the extent to which they fulfill this purpose.
- (e) cost of erecting the buildings and their reproduction cost.

(f) money income from the property — actual and potential.

(g) amenities accruing to the benefit of the owner occupant.

10 (h) correlation of the various factors of value.

By reason of our investigation and correlation of the various estimates we have formed the opinion that the 'real value' of the subject property as of December 1st, 1941 was:

Fifteen Million Eight Hundred Thousand Dollars
made up as follows:

20	Land on which the office building is erected	\$ 844,000.00
	Office building and equipment	14,400,000.00
	Land on which the power house is erected	86,000.00
	Power house building and equipment	470,000.00
	Total	<u>\$15,800,000.00</u>

30 A report of 62 pages is attached hereto and made a part hereof and a separate book of exhibits of 70 pages also forms part of this report. The valuation is expressly made subject to the conditions and comments appearing in the report and book of exhibits.

Yours faithfully,

Guy Desaulniers, M.A.I.,

Harold Mills.

PURPOSE OF APPRAISAL:

40 This Appraisal is made at the request of the City of Montreal and is for the purpose of estimating the amount at which the subject property should be entered on the Tax Rolls of the City as of December 1st, 1941, the date when the property valuation roll for the years 1942-1943 was homologated.

From the ensemble of our municipal law emerges the requirement that valuations of property must be based on "real value". The meaning of the words "real value" of Article 485 of our Cities and Towns Act, as determined by theory and jurisprudence is "actual value" or "market value".

The “real value” of the subject property, as estimated herein, is:

10 “the highest price estimated in terms of money which a buyer would be warranted in paying and the owner justified in accepting, provided both parties were fully informed, acted intelligently and voluntarily, and further that all of the rights and benefits inherent in or attributable to the property were included in the transfer.”

* * * * *

LEGAL DESCRIPTION
OF SUBJECT PROPERTY:

20 The property consists of two separate emplacements of land, described briefly for the purpose of identification as follows:

(a) sub-division — part of 1439, 1440, 1444, 1445, 1446, 1446a, 1447, 1448, 1449, 1450, part of 1451, 1451-1, 2, 3, 4, 5, 6, 7 and 8 of the official plan and book of reference of the Parish of Montreal, the whole containing an area of 93,000 square feet, English measure and more or less. On this emplacement is erected a twenty-eight storey office building, with three basements below ground.

30

(b) sub-divisions — part of 1373, 1374 and 1375 of the official plan and book of reference of the Parish of Montreal; the whole containing an area of 9,009 square feet, English measure and more or less. On this emplacement is erected a power house which serves the office building.

* * * * *

40 CHARACTER AND TREND
OF NEIGHBOURHOOD:

Montreal's Two Business Sections—It is characteristic of most large cities that their principal business sections are concentrated in relatively small and closely knit central areas. This is particularly true of Montreal which has its well defined downtown and uptown business sections, both firmly established and so well known that only brief reference to them is necessary.

History and Growth of Uptown Section—When Montreal was incorporated as a city in 1832, its entire financial, retail and wholesale business was centered in the downtown section. Subsequent expansion of the City to the north and west necessitated the opening of a retail section nearer to the centre of population and in 1891 James Morgan pioneered a movement which later became general. He transferred his large departmental store, then
 10 located on St. James Street, uptown to St. Catherine Street. Other merchants followed and, in due course, the uptown section became the centre of the City's retail trade.

In the 52 years which have elapsed since the Morgan Store was opened on St. Catherine Street, the uptown business section has consistently developed in extent and importance. It now contains the City's largest retail stores, numerous manufacturers and their agents catering to the retail trade, the principal hotels and theatres, the terminals and head offices of Canada's two
 20 transcontinental railways, and many large office buildings of which the following were erected in the years 1920 to 1930.

<i>Year</i>	<i>Name of Building</i>	<i>Cubic Contents</i>
1927	Sun Life	21,931,761
1928	Dominion Square	7,035,270
1927	Bell Telephone	4,820,690
1928	University Tower	2,899,459
1921	Canada Cement	2,676,290
1928	Confederation	2,612,751
1930	Drummond-Medical	1,979,367
1924	Keefer	1,575,290
1926	Castle	1,433,822
1929	C.I.L. House	1,194,129
1929	McRitchie & Black	702,369
1927	Medico-Dental	614,064

40 Following the erection of these large, up-to-date buildings, an increasing number of Montreal's leading commercial and industrial organizations moved from their older quarters downtown to the newer and finer uptown buildings, which have the advantage of higher elevation, closer proximity to hotels and railway stations, wider streets and better parking facilities.

The subject property occupies one of the most favoured positions in the uptown section. The fact that the trend in this

section is, and has been for many years, towards a higher type of occupancy, justifies confidence in the present and optimism with regard to the future value of this property.

A plot plan of the uptown section, showing the locations of its principal buildings, the two railway terminals, together with the years of their erection, is shown on page 2 in the accompanying book of Exhibits.

* * * * *

DESIRABILITY OF SITES:

The two emplacements upon which the Sun Life Company's Office Building and Power House are erected are dealt with individually in this report.

20 *Office Building Site*:—This site is uniquely advantageous for the purpose used. It has numerous important features which add to its desirability and value and which we summarize as follows:

1. *Size*—It is the largest developed office building site in the city. Dimensions as follows:

30 439'1" Metcalfe Street; 215'7" Dorchester Street;
421'4" Mansfield Street; AREA: 93,000 square feet.

By comparison, the site of the Dominion Square Building, second largest office building in Montreal, contains 40,556 square feet.

2. *Proximity to 100% Business District*—Montreal's 100% district, where the flow of traffic and business has raised realty values to their peak level, is St. Catherine Street between Peel and University Streets. The site of the Sun Life Building extends to within 300' from the centre of this district.

3. *Surroundings*—The properties which immediately surround this site provide a favourable environment and setting for the magnificent building erected on it, and greatly enhance the desirability and advertising value of this building.

The bordering properties are:

Dominion Square—The largest and most prominent square in the uptown business section—6¼ acres of park.

St. James Cathedral—A replica of St. Peter's of Rome. Erected in 1870 — rich in beauty and historical interest.

10 *C.N.R. Terminal & Head Office*—The new C.N.R. Station is nearing completion and it is anticipated that by next April all of the Company's passenger trains will arrive at and depart from this Station. Later, the electric cars which now serve the South Shore from the foot of McGill Street will also use this Station as their Montreal Terminal. The overhead rights between the Station and the south side of Dorchester Street are reserved for the Company's Head Office Building. The overhead rights north of Dorchester Street and opposite the Sun Life Building are for sale. This site has been considered for the erection of a large hotel. It would be equally suitable for the erection of office buildings.

20 *Power House Site*—Situated on the south east corner of Mansfield and Cathcart Streets, this site directly adjoins the property acquired for the C.N.R. Terminal, and is barely 260 feet away from the 100% district along St. Catherine Street. Its dimensions are:

30 117' Mansfield Street and 77' Cathcart Street

AREA: 9,009 square feet.

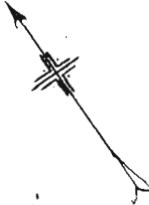
40 It is conveniently located to serve the office building with which it is connected by service and pipe tunnels. It is also adaptable to much more extensive use. Provision has been made for the future erection of an 18 story office building over the power plant, which is installed below grade, and the present structure is designed for the support of such a building which would also be served by the plant.

* * * * *

A plot plan of the two sites showing their dimensions and the locations of the buildings erected thereon appears on page 3 in the accompanying book of Exhibits.

* * * * *

MONTREAL, JANUARY 13TH. 1943
COMPILED BY
M.D. BARCLAY INC.



MANSFIELD STREET

421'-4"

PT. 1439, PT. 1439

1440

1450

100'

12'-8"

LANE

1451

215'-7"

100'-9"
PT. 1444
AREA = 1276 SQ. FT.

1443

PT. 1444

1445

1446

AREA = 70144 SQ. FT.

1447

1448

1449

AREA = 21580 SQ. FT.

100'

METCALFE STREET

426'-5"

DORCHESTER STREET WEST

* 18506'

PURCHASE PRICE OF LAND:

Office Building Site—The land included in this site was purchased in the years 1909-10-11 and 1922-23-24 from 12 different owners. The area purchased (as stated in the deeds) was 84,456 square feet, and the price paid \$864,461.50.

10 At the time of purchase, an 18 foot lane existed between the lots fronting on Metcalfe and Mansfield Streets, ownership of which was acquired by the Sun Life Company through the purchase of all of the land surrounding it. To compensate for the closing of this lane a strip of land 12' 8" x 100' 9" (1,276 square feet) at the north west corner was set aside to provide a lane outlet to Metcalfe Street for the use of the subject property and the neighbouring properties to the north.

20 The plan on the opposite page, prepared by M.D. Barclay, Inc., Q.L.S., shows this site with the original lane (since merged into the office building site), and the new lane which replaced it.

* * * * *

30 *Power House Site*—The land for the Power House was purchased in the years 1926-28 from two different owners and under three deeds. One of the properties purchased, described as parts of sub-divisions 1373-74, area 2,516 square feet, was acquired from the C.N.R. in exchange for sub-division 1373-1, area 2,679 square feet, situated 50 feet to the south and purchased by the Sun Life Company in 1926 for \$25,000.00. In addition to this property the Sun Life Company paid the C.N.R. \$2,715.00 in cash and transferred a small strip of land in rear of sub-division 1374.

The total area purchased for this Power House Site was 9,009 square feet and the price paid was \$104,295.00.

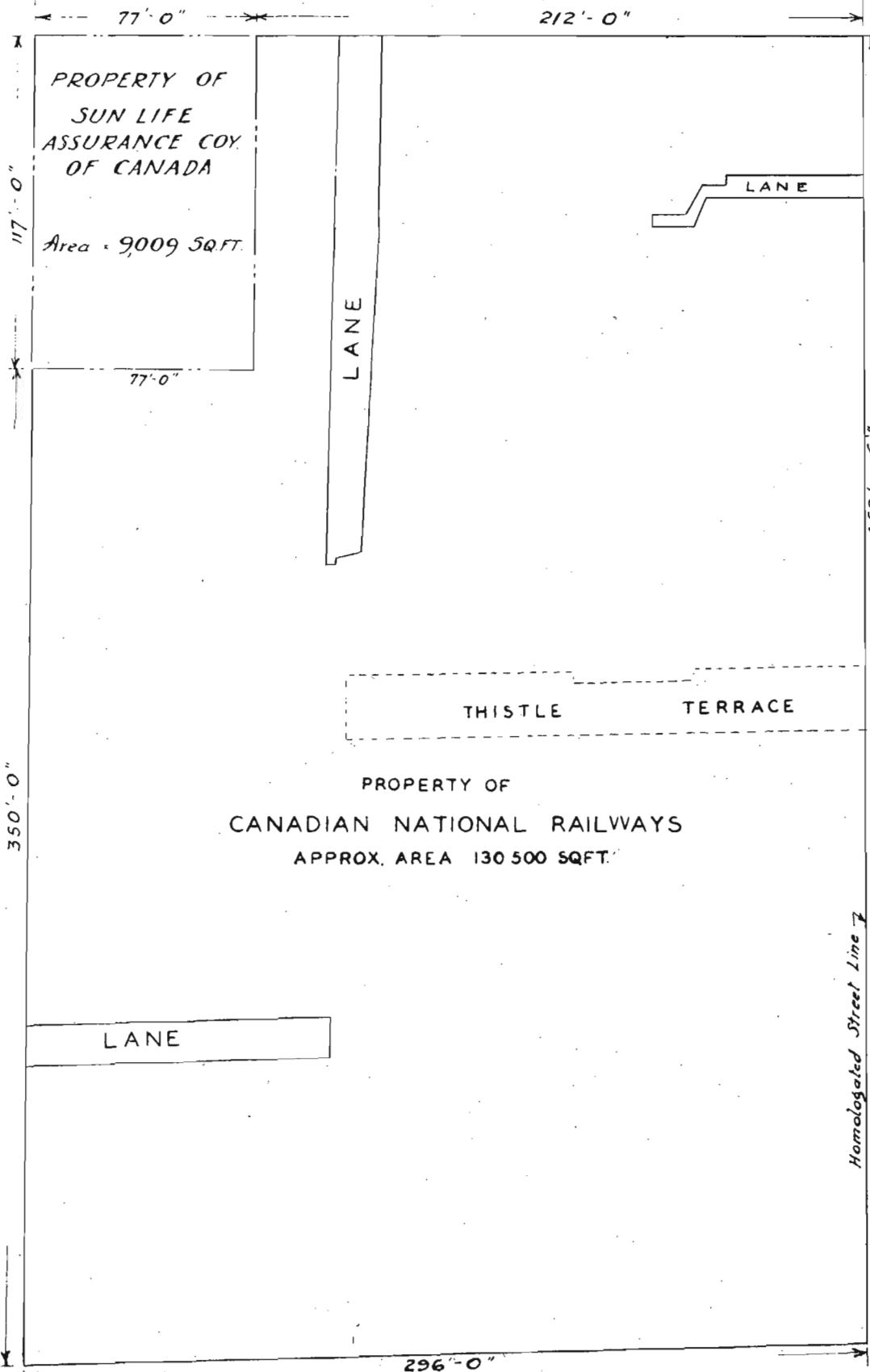
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40 The 15 properties included in the two sites are listed in a statement on page 4, book of Exhibits. This statement shows the area contained in each property, total price paid, and the price paid per square foot.

The average over-all price, per square foot, paid for the land included in each site was as follows:

Office Building Site — Area 84,456 square feet, (not including the land which formed part of the existing lane)	Per square foot.....	\$10.24
Office Building Site — Area 91,724 square feet, (including the lane)	Per square foot.....	\$ 9.42
Power House Site — Area 9,009 square feet	Per square foot.....	\$11.58

CATHCART STREET



PRICES PAID FOR
NEIGHBOURING PROPERTIES:

10 *Site of C.N.R. Terminal*—The block of land immediately east of the office building site, which forms part of the Canadian National Railway Terminal, was purchased in the years 1912-13-16-28 by Mount Royal Tunnel & Terminal Company Limited, from thirteen different owners. The area purchased was 122,871 square feet and the price paid was \$1,318,110.00.

At the time of purchase, three lanes and a street (Thistle Terrace) existed in this block, ownership of which was acquired by Mount Royal Tunnel & Terminal Company Limited through the purchase of all of the land surrounding them. The properties included in this site are listed in a statement on page 5, book of Exhibits, which shows the area contained in each property, total price paid, and the price paid per square foot.

20 The average over-all price, per square foot, paid for the land included in this site was as follows:

Area 122,871 square feet (not including the land which formed part of the existing lanes and street:	Per square foot.....	\$10.72
Area 130,500 square feet (including the lanes and street)	Per square foot.....	\$10.10

The plan on the opposite page, prepared by M. D. Barclay, Inc., Q.L.S., shows this site with the lanes and street as they existed prior to the excavation for the C.N.R. Terminal.

30 * * * * *

SALES LISTED IN STATEMENT ON PAGE 6,
BOOK OF EXHIBITS:

<i>Year</i>	<i>Location</i>	<i>Purchaser</i>	<i>Paid per Sq. Ft.</i>
1931	South East of Dorchester and Mansfield Streets	C.N. Railways	\$23.44
1930	Mansfield, 62' south of Dorchester Street	C.N. Railways	17.47
40 1927	South East corner of Dorchester and Peel Streets	Vineberg Investment Corporation	14.95
1928	Peel Street, West side, 225' South of St. Catherine St.	F. A. Markum	57.52
1927	Peel Street, West side, 220' South of St. Catherine St.	Chas. E. Frosst	33.44
1929	Peel Street, West side, 120' South of St. Catherine St.	Bank of Toronto	77.34
1928	St. Catherine, Peel, Metcalfe Sts. and Dominion Sq.	Carling Arcade Corporation	80.26
1924	Metcalfe St., East side, 150' South of St. Catherine St.	G. C. Spiliotopoulos	11.77

PRESENT VALUE OF LAND:

10 *Office Building Site*—The value of land depends almost entirely on its location, which determines its capacity to render services to the type of building which would represent its maximum and best improvement. In our opinion the location of the subject property is uniquely advantageous for the large institutional office building erected on it, which enjoys the maximum services available for this type of building.

20 It is in the heart of an area from which street cars, busses, and railways radiate in all directions, to every part of Greater Montreal and beyond. It is within a few minutes walk from all of the important office buildings in the uptown section, the retail centre, the large hotels, and from the section of this district devoted to light manufacturing and wholesale business. It is bordered by Dorchester Street, 100 feet in width, which provides a convenient and rapid approach by automobile, while Sherbrooke Street, the most important east and west traffic artery in Montreal, is only three blocks distant.

We have considered all of the factors which tend to reflect the present and probable future worth of this office building site and are of the opinion that as of December 1st, 1941, its "real value" was:

Eight Hundred and Forty-Four Thousand (\$844,000.) Dollars.

apportioned as follows:

30	Dorchester Street	(unit price)	\$9.00	per square foot
	Metcalf Street	" "	9.00	" " "
	Mansfield Street	" "	7.00	" " "
	Corner Influence — 50%	Plottage Value — 10%		
	* * *	* * *		

UNIT PRICE VALUATION:

	Dorchester Street		
	9 x 100% = 9.00 x 21,580	=	\$194,220
	Corner Influence — Metcalfe Street		
40	9 x .5 = 4.50 x 5,000	=	22,500
	Corner Influence — Mansfield Street		
	7 x .5 = 3.50 x 5,000	=	17,500
	Merge Graph — Average value of remaining land:		
	\$7.60 per square foot		
	7.60 x 70,144	=	533,094
			\$767,314
	Plottage 10%	=	76,731
			<hr/>
	Total Value:		<u>\$844,045</u>

PRESENT VALUE OF LAND:

Power House Site—This site should properly be called the site of existing power house and future office building, which correctly describes its present and intended use. In a paper presented before the Annual Meeting of The Engineering Institute of Canada, in 1931, Mr. F. A. Combe, M.E.I.C., who assisted in designing the power house, commented as follows:

“The steam station to serve the new head office building in Montreal of the Sun Life Assurance Company of Canada is situated below ground level at the corner of Mansfield and Cathcart Streets. It is proposed eventually to erect an 18-storey building over the site of the station, and the structure is designed for the support of such a building which will also be served by the plant.”

The location of this site is similar to that of the office building, being directly opposite it on Mansfield Street. It is only 260' from the 100% district along St. Catherine Street and has the further advantage of being bounded on two sides by land which forms part of the C.N.R. Terminal. The personal future development of the extensive overhead rights of the Terminal property will further aid to the value of this property.

Its dimensions are:

77' Cathcart St. — 117' Metcalfe St. — Area 9,009 sq. ft.

It is large enough to accommodate many existing Montreal office buildings, such as:

<i>Name of Building</i>	<i>Dimensions of land</i>	<i>Number of Storeys</i>	<i>Cubic Content</i>
C.I.L. House	69'8" x 100'	16	1,194,129
Star Building	60' x 105'	12	987,728
Banque Canadienne Nationale	70' x 93'	8	847,188

We have considered all of the factors which tend to reflect the present and probable future worth of this power house site and are of the opinion that as of December 1st, 1941, its “real value” was:

Eighty-Six Thousand Four Hundred and Fifty-One (\$86,451) Dollars.

* * * * *

assurances amounted to \$1,487,000,000.00. In that year it was decided to proceed with the erection of the third and largest section of the building.

It would appear that the Company's main object in erecting such a large and imposing head office building was to provide convenient and attractive working accommodation for its large staff and to make adequate provision for the future requirements of a fast growing organization. The size and character of the building further reflects a natural desire on the part of the Company's officers to give the building a monumental character which would testify to the dignity, stability and growth of the Company.

* * * * *

20 EXTENT TO WHICH THE BUILDING
FULFILLS ITS PURPOSE:

The 57th Annual Report of the President of the Sun Life Company for the year 1927 stated that the Company had doubled in size every five and a half years since it began. The growth since 1927 has been less rapid due in part to the years of depression which followed 1930 and affected all types of business. It is significant however that at the end of 1941 assurances in force had increased to \$2,971,747,088.00 or double the amount in force at the end of 1927.

The building was intended to provide accommodation well in advance of the growth of the Company's business and staff and is large enough to provide for its normal growth over many years. On December 1st, 1941 slightly over 51% of the rentable area in the building was occupied by the Company.

The architectural and engineering features of the building were discussed at the annual Meeting of The Engineering Institute of Canada, held in Montreal in February 1931. The architects, Messrs. Darling and Pearson of Toronto, presented a paper from which we quote as follows:

40 "The elements of classic architecture emphasize the horizontal rather than the vertical and in this building, despite a total height of 400', it has been possible to preserve those dominating horizontal lines owing to the great breadth of the base from which it springs. The emphasis of the horizontal and the general proportions of the mass

are intended to give the building a monumental character in keeping with the dignity of the great organization which it houses.

“Some of the principal requirements which had to be borne in mind by the engineers and ourselves in the design of the building are as follows:

10

- “1. Accommodation had to be provided for handling the very considerable shipping and mailing requirements of the Company. For this the main shipping department has been located in the 1st basement approached from Mansfield Street by means of an easy ramp.

20

“Two general freight elevators have been provided and located near the shipping department.

“Two of the passenger elevators are equipped to serve as postal cars for ordinary inter-departmental communication and for distribution of mail. The main mailing room is in the 1st basement close to these postal cars and to the shipping room.

30

“Provision has been made for a system of pneumatic tubes consisting of 26 stations with possible expansion.

- “2. Considerable space was required for the Company’s medical services, consisting of examination rooms, wards, treatment rooms, X-Ray and dental clinics.

- “3. Provision had to be made for a large assembly hall capable of seating approximately 1,000 people, with a fully equipped stage, dressing room accommodation and a projection booth for moving pictures.

40

- “4. Space was also required where badminton, basket ball and other games could be played by the staff after office hours. For this purpose a large playroom and several bowling alleys have been provided with fully equipped dressing room accommodation.

The playroom is 126’ x 58’ and 26½’ in height.

- 10 “5. Accommodation for the chief executive officers of the Company has been provided on the 21st and 22nd floors, together with a board room and committee rooms. Dining rooms for the use of the chief executive officers have been arranged on these floors. They are served by adjacent kitchens entirely independent of the main kitchens on the 6th floor.
- “6. Extensive filing accommodation was necessary — the active file room in the 1st basement is 52' x 150' (7,800 square feet) and the inactive file room in the 2nd basement is 50' x 208' (10,400 square feet).
- 20 “7. The boiler plant, it was early decided, was to be located apart from the building on the East side of Mansfield Street at the corner of Cathcart Street, but provision had to be made in the building itself for the very considerable mechanical plant necessary to operate it.

30 “From the number of large units mentioned and the diverse character of their requirements it is possible to visualize to some extent the highly involved plan layout which had to be worked into one comprehensive whole. When, in addition, it is remembered that the dominating character of the design was necessarily strict classic, requiring absolute symmetry and balance, it will be seen that this was no ordinary problem of plan and design.

“We hope and believe that the final solution of the problem will be satisfactory and if such should prove to be the case, the success attending our labours will, in great measure, be due to the engineers who have helped us to create the building.”

40 To ascertain the opinion of Montreal architects on the general style, construction, and finish of this building we interviewed three local men who are prominent in the profession, namely:

Harold Lawson, F.R.A.I.C.,
of the firm Lawson & Little, Architects and Engineers,

Maurice Payette, A.D.B.A., M.R.A.I.C. and
Jean Crevier, A.D.B.A., M.R.A.I.C.
of the firm Payette & Crevier, Architects.

Letters from these gentlemen will be found on pages 16 and 17 of this report.

The classic style of the building, its great size, and numerous features designed specially for the use of the Sun Life Company, are all associated with the particular desires and needs of the owner occupant. They tend to give prominence, character, and
10 permanence to the building and they contribute appreciably to the prestige of the Company. Their value to the owner is reflected in amenities rather than income.

Our investigations of the design, construction, and finish of this building have led us to the opinion that it represents an almost perfect fulfilment of the purpose for which it was erected.

20 PURPOSE FOR WHICH THE POWER HOUSE WAS ERECTED:

It would appear the power house was intended to serve several purposes, viz:

- (a) to provide accommodation for the heating plant and coal bunkers apart from the main building, thereby eliminating the nuisance of coal dust;
- (b) to provide the foundation for a future office building
30 which could be erected for the use of the Sun Life Company or as an investment.

The main features of this building are summarized in a paper presented by the consulting engineer, F. A. Combe, at the Annual Meeting of the Engineering Institute of Canada in 1931, from which we quote as follows:

- 40 "1. The station is built across the street from the main office building with which it is connected by service and pipe tunnels. The structure is designed for the support of an 18-storey building over the site of the station which would also be served by the plant.
- "2. The plan dimensions are 117' long by 77' wide, the main boiler operating floor being 48' below street level, approximately one-half the depth having been excavated out of solid rock. A 12-foot basement below this floor extends over about one-half the area, with a large drainage pump below the basement floor from which all plant drainage is automatically pumped up 60' to the Mansfield Street sewer.

- “3. The main floor is paved with heavy quarry tile and a 54” tile dado is carried around the walls.
- “4. One main stairway with combined passenger and light freight elevator provide access from the covered truck space to all floors and a second stairway leads to the pipe and service tunnels.
- 10 “5. The steam requirements are principally for heating and ventilating and as such the load varies over a wide range depending upon the outdoor temperature. It was decided therefore to install three main steam generating sets each designed to have an economic range of 10,000 to 40,000 pounds of steam per hour, and also one small boiler of 8,000 pounds steam per hour capacity which was removed from the old boiler room of the original section of the main office building and re-erected.
- 20 “6: The furnace equipment of each boiler consists of a compartment type balanced-draft chain-grate stoker, arranged to operate either on natural or forced draft.
- “7. The main steam generating units are specially designed for economical operation throughout a wide range of output. Heat is extracted from the outgoing flues and stack by the incoming air for combustion, so effecting a minimum of heat loss from the fuel burned.
- 30

40 “*Coal and Ash Handling*—Coal is delivered from Mansfield Street and weighed on an auto platform scale on main floor. It is then dumped through openings in the floor to the main storage bin below having a capacity of 400 tons. Below this storage is the coal handling floor where the coal is drawn through gates in the bin floor into 1-ton cars and delivered either directly into the stoker hoppers or through a coal crusher to a bucket elevator which raises it to a coal bunker over the firing floor. This overhead suspension bunker has a capacity of 300 tons and is formed of inter-locking cast iron plates on steel suspension straps. This construction was considered a desirable one to withstand the destructive action of high sulphur coal.

“Ashes from the chain grate stokers fall into special tile-lined cast iron hoppers of the same make as the overhead coal bunker and are taken by hand-cars in basement

to a skip hoist which lifts the ashes 90' to a concrete ash hopper. The ash hopper has a capacity of 25 tons and discharges through a roller gate and chute to trucks in the covered way.'

* * * * *

**EXTENT TO WHICH THE BUILDING
10 FULFILLS ITS PURPOSE:**

The design and construction of the power house structure are such as to assure an economic life equal to that of the office building, estimated at 100 years. The equipment included in the power house, namely, boilers, hoppers, coal crusher, elevators, skip hoist, mechanical ventilation and other mechanical and electrical equipment are the most modern and efficient obtainable.

20 The desirability of the 'overhead rights' for a future office building has been greatly enhanced as a result of recent improvements to the C.N.R. Terminal which adjoins the power house and also by the recent conversion of the Royal Garage, (1 block to the East) into a modern and attractive office building, eight storeys in height and known as the 'Ciba Building'.

In our opinion the building and its equipment represent a suitable and desirable improvement of the site and they entirely fulfill the purpose for which they were erected.

30

* * * * *

**COST OF ERECTING THE SUN LIFE
HEAD OFFICE BUILDING:**

The Sun Life Company has stated that the cost of its head office building up to April 1941, including all capital expenditures to that date, but excluding the cost of land was \$20,627,873.92. From April 30th to December 1st 1941, additional expenditures on construction amounted to \$58,713.70. Total cost

40

\$20,686,587.62.

The building was erected in three sections over a period of 17 years — from 1913 to 1930. The amounts spent on construction and the years in which the payments were made are shown in the three statements which follow:

Excavation for the construction of the original building, (containing 2,113,758 cubic feet) was commenced in June 1913 and the building was completed and occupied in the months of January, February and March 1918. The amounts spent during

construction and in the three years following completion of the main structure were as follows:

	1913	\$ 126,794.02	forward	\$1,798,493.39
	1914	524,183.22	1918	444,584.06
	1915	200,465.20	1919	64,279.22
	1916	350,416.74	1920	24,643.34
10	1917	596,634.21	1921	49,451.77
	forward	<u>\$1,798,493.39</u>	TOTAL	<u>\$2,381,451.78</u>

Excavation for the construction of the first extension of the original building (containing 1,134,727 cubic feet) was commenced in the summer of 1922 and this extension was completed and occupied in December 1925. The amounts spent during construction and in the first year following completion of the main structure were as follows:

	1923	\$ 280,933.92	forward	\$1,648,883.54
	1924	603,927.50	1926	253,774.89
	1925	764,022.12		
	forward	<u>\$1,648,883.54</u>	TOTAL	<u>\$1,902,658.43</u>
			1922	
			(credits)	7,963.46
20			TOTAL	<u>\$1,894,694.97</u>

Excavation for the construction of the second extension of the said head office building (containing 18,751,764 cubic feet) was commenced in May 1927 and the structural portion thereof was completed by December 1930. Partial occupation commenced in 1929 and certain of the upper floors have been completed from time to time since. The amounts spent during construction and in the years following, up to December 1st 1941, were as follows:

40	1927	\$ 219,701.47	forward	\$15,606,616.58
	1928	1,775,710.92	1935	43,693.34
	1929	3,063,802.54	1936	62,707.18
	1930	6,510,749.83	1937	22,634.96
	1931	3,207,452.79	1938	89,065.68
	1932	589,543.95	1939	101,330.51
	1933	194,609.58	1940	421,719.33
	1934	45,045.50	1941	62,673.29
	forward	<u>\$15,606,616.58</u>	TOTAL	<u>\$16,410,440.87</u>

CONSTRUCTION PRICE INDEX

*Dominion Bureau of Statistics — Internal Trade Branch
Index Numbers of Wholesale Prices of Building and Construction
Materials and of Rates of Wages in the Building
Trades, 1913-1941 based upon a mean of 100 in 1926.*

10 Note:—The composite rates included in this index are based upon the assumption that wages represented 25% and materials 75% of the cost of the Sun Life Building and Power House.

	*	*	*	*	*
Year-(a)	Wages-(b)	Materials-(c)	<i>Composite Rate-(d)</i> $d = \frac{1}{4}(b + 3c)$		
20	1913	58.1	67.	64.78	
	1914	58.6	62.8	61.75	
	1915	59.	60.5	60.13	
	1916	59.5	69.5	67.	
	1917	63.9	87.4	81.53	
	1918	73.2	100.7	93.83	
	1919	86.1	117.8	109.88	
	1920	105.1	144.	134.28	
	1921	99.1	122.7	116.80	
30	1922	94.4	108.7	105.30	
	1923	96.7	111.9	108.10	
	1924	98.6	106.6	104.60	
	1925	99.	102.9	101.93	
	1926	100.	100.	100.	
	1927	104.2	96.1	98.13	
	1928	107.8	97.4	100.	
	1929	114.8	99.	102.95	
	1930	118.1	90.8	97.63	
	1931	113.7	81.9	89.85	
40	1932	103.5	77.2	83.78	
	1933	91.8	78.3	81.68	
	1934	89.9	82.5	84.35	
	1935	92.9	81.2	84.13	
	1936	93.4	85.3	87.33	
	1937	96.	94.4	94.80	
	1938	98.4	89.1	91.43	
	1939	99.2	89.7	92.08	
	1940	101.5	95.6	97.08	
	1941	107.3	107.3	107.3	

COST OF ERECTING
POWER HOUSE:

The Sun Life Company has stated that the cost of the power house for the head office building and of the equipment for the power house, exclusive of the cost of the land, was \$709,257.14. The only addition or modification to the power house plant and equipment since completion was a ladder added to the stack in the year 1938 at a cost of \$154.00. Total cost \$709,411.14.

Excavation for the construction of the power house was commenced in November 1928, boilers were first inspected and steam used in October 1929 and the structure was completed in March 1930.

* * * * *

REPRODUCTION COST OF
HEAD OFFICE BUILDING
AND POWER HOUSE:

To determine the reproduction cost of the head office building and the power house as of December 1st, 1941, we have considered the actual amounts spent during each year of construction and have reduced or increased each yearly expenditure to correspond with the construction cost indexes for wages and materials (compiled by the Dominion Bureau of Statistics) for the year 1939 (see page 21). The composite rate for wages and materials in 1939, based upon a mean of 100 in 1926, and estimating 25% for wages and 75% for materials was 92.08.

The following statement shows the amount spent on the head office building and power house in each year of construction (as declared in the list of admissions of the Sun Life Company); also the composite construction cost index for each year, and the cost of the buildings adjusted to the 1939 Index of 92.08.

HEAD OFFICE BUILDING		Building cost index	Cost in year of construction adjusted
Year	Amount Spent	Dominion Bureau of Statistics	to Dominion Bureau's cost index for 1939
1913	\$ 126,794.02	64.78	\$ 180,228.18
1914	524,183.22	61.75	781,648.70
10 1915	200,465.20	60.13	306,981.83
1916	350,416.74	67.	481,567.61
1917	596,634.21	81.53	673,838.68
1918	444,584.06	93.83	436,292.54
1919	64,279.22	109.88	53,865.88
1920	24,643.34	134.28	16,898.52
1921	49,451.77	116.80	38,985.75
	<hr/> \$2,381,451.78		<hr/> \$2,970,307.69
20 1922	7,963.46 (credit)	105.30	6,964.01 (credit)
1923	280,933.92	108.10	239,300.27
1924	603,927.50	104.60	531,641.38
1925	764,022.12	101.93	690,191.16
1926	253,774.89	100.	233,676.02
	<hr/> \$1,894,694.97		<hr/> \$1,687,844.82
1927	219,701.47	98.13	206,156.07
30 1928	1,775,710.92	100.	1,635,074.69
1929	3,063,802.54	102.95	2,740,310.01
1930	6,510,749.83	97.63	6,140,631.04
1931	3,207,452.79	89.85	3,287,058.95
1932	589,543.95	83.78	647,949.46
	<hr/> \$15,366,961.50	Carried forward	<hr/> \$14,657,180.22
Amounts spent in the years 1927 to 1932 — brought forward:			
40	\$15,366,961.50		\$14,657,180.22
1933	194,609.58	81.68	219,388.89
1934	45,045.50	84.35	49,173.48
1935	43,693.34	84.13	47,822.67
1936	62,707.18	87.33	66,118.04
1937	22,634.96	94.80	21,985.94
1938	89,065.68	91.43	89,698.81
1939	101,330.51	92.08	101,330.51
1940	421,719.33	97.08	399,999.20
1941	62,673.29	107.3	53,783.01
	<hr/> \$16,410,440.87		<hr/> \$15,706,480.77

Note: Included in the money spent are certain amounts which do not belong in a reproduction cost estimate. The amounts which should be deducted (as declared by the Sun Life Company) are as follows: cost of sidewalks \$70,335.00; cost of temporary partitions \$233,713.38; cost of walls and floors demolished and of demolishing them \$1,215,450.00

	TOTAL	1,519,498.38
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Estimated cost after necessary deductions \$14,186,982.39

	POWER HOUSE	Building cost index	Cost in year of construction adjusted to Dominion Bureau's cost index for 1939
Year	Amount Spent	Dominion Bureau of Statistics	to Dominion Bureau's cost index for 1939
20			
1929	\$ 709,257.14	102.95	\$ 634,370.43
	*	*	*

SUMMARY OF AMOUNTS SPENT — ADJUSTED TO 1939 INDEX

	Years	Amounts Spent Total	Adjusted to cost index for 1939
30	<i>Head Office Building</i>		
	1913-1921	\$ 2,381,451.78	\$ 2,970,307.69
	1922-1926	1,894,694.97	1,687,844.82
	1927-1941	16,410,440.87	15,706,480.77
		\$20,686,587.62	\$20,364,633.28
40	Deduction as above —	1,519,498.38	1,519,498.38
		\$19,167,089.24	\$18,845,134.90
	<i>Power House</i>		
	1929	\$ 709,257.14	\$ 634,370.43

ESTIMATED VALUE OF HEAD OFFICE BUILDING
AND POWER HOUSE
AS OF DECEMBER 1st 1941

10 Based upon the amounts spent (adjusted to the building cost index for 1939), less depreciation to the original office building and each of the extensions, and to the power house from date of completion to December 1st 1941.

	Cost of replacement in 1939	Depreciation 1% per annum	Value as of December 1st 1941
Original building, occupied March			
20 1918 — 24 years depreciation	\$ 2,970,307.69	\$ 712,873.84	\$ 2,257,433.85
1st extension, occupied December			
1925 — 16 years depreciation	\$ 1,687,844.82	270,055.17	1,417,789.65
2nd extension, occupied December			
1930 — 11 years depreciation	14,186,982.39	1,560,568.06	12,626,414.33
	<u>\$18,845,134.90</u>	<u>\$2,543,497.07</u>	<u>\$16,301,637.83</u>
Power House, first used October			
1929 — 12 years depreciation	634,370.43	76,124.45	558,245.98
30	<u>\$19,479,505.33</u>	<u>\$2,619,621.52</u>	<u>\$16,859,881.85</u>

Note: The total depreciation to the office building at the end of 1941 (estimated at the rate of 1% per annum) was \$2,543,497.07, equal to 13.5%. The total depreciation to the power house at the end of 1941 (estimated at 1% per annum) was \$76,124.45, equal to 12%.

* * * * *

40 ADDITIONAL VALUE IN HEAD OFFICE BUILDING AND
POWER HOUSE DUE TO COST OF FINANCING
DURING CONSTRUCTION PERIOD

Head Office Building—The time required to construct this building would be 3 years. The estimated cost, as shown above, would be \$18,845,134.90. The average expenditure in each half year would be approximately \$3,140,000.00. Interest on the amounts spent half yearly, estimated from 6 months after commencement of construction, at 3% per annum, would be as follows:

	Date	Capital outlay	Period of outlay	Interest rate	Amount of interest
	6 months after commencement	\$3,140,000.00	2½ years	3%	\$235,500.00
	12 " "	3,140,000.00	2 "	3%	188,400.00
	18 " "	3,140,000.00	1½ "	3%	141,300.00
	24 " "	3,140,000.00	1 "	3%	94,200.00
10	30 " "	3,140,000.00	½ "	3%	47,100.00
	Total amount of interest during construction				— \$706,500.00

Power House—The time required to construct this building would be one year. The estimated cost, as shown above, would be \$634,370.43. Approximately half of this amount (\$317,185.00) would be spent in the first 6 months. Interest on \$317,185.00 at 3% for 6 months would be \$4,757.77

20

ADDITIONAL VALUE IN HEAD OFFICE BUILDING AND POWER HOUSE DUE TO TAXES PAID ON LAND DURING CONSTRUCTION PERIOD

Head Office Building—During the 3 years required to construct this building the taxes paid on the land assessment would add to the cost of the property and would form part of its reproduction cost. For the purpose of this valuation we have considered the years 1937-38-39 as the reconstruction years for the head office building. In these years the land was assessed and taxed as follows:

30

Year	Land Assessment	Rate	Annual Taxes
May 1st 1936-37	\$733,800.00	2.939	\$21,566.38
May 1st 1937-38	733,800.00	2.902	21,294.87
May 1st 1938-39	733,800.00	2.9015	21,291.20

40

Total land taxes for 3 years — \$64,152.45

Power House—This building could be constructed in 1 year and we have considered the year of construction as 1939. The land assessment and taxes for the 1938-39 were as follows:

Year	Land Assessment	Rate	Annual Taxes
May 1st 1938-39	\$ 66,500.00	2.9015	\$ 1,929.49

SUMMARY OF VALUATION ESTIMATES OF HEAD
OFFICE BUILDING AND POWER HOUSE

10 Based upon the amounts known to have been spent on these
buildings by the Sun Life Company (adjusted to the
building cost index for 1939) and including the cost
of financing and land taxes during the period
required for reconstruction.

Office Building:

	Estimated reproduction cost	\$18,845,134.90
	Cost of financing during construction.....	706,500.00
	Taxes on land during construction	64,152.45
		<hr/>
	Gross cost....	\$19,615,787.35
20	Depreciation	2,648,131.30
		<hr/>
	Net value	\$16,967,656.05

Power House:

	Estimated reproduction cost	\$ 634,370.43
	Cost of financing during construction	4,757.77
	Taxes on land during construction	1,929.49
		<hr/>
	Gross cost....	\$ 641,057.69
30	Depreciation	76,926.92
		<hr/>
	Net value	\$ 564,130.77

Total—Office Building and Power House \$17,531,786.82

COMPARISON OF THREE ESTIMATES OF THE VALUE
OF THE HEAD OFFICE BUILDING AND POWER
HOUSE — BASED UPON REPRODUCTION COST

40 We have carefully considered the reproduction cost esti-
mates of Brian R. Perry, M.E.I.C., and Victor A. Fournier, M.E.
I.C., copies of which appear on pages 27 to 30 of this report.
Their estimates are based upon prices for labour and material
in 1939 and 1940 and they consider the erection of the office
building in one operation, thus eliminating the added cost of
demolishing end walls, strengthening and adjusting, which would
have been caused by the erection of the building in three differ-
ent and successive stages.

Our estimate contemplates the erection of the office building in three sections, but an allowance has been made for the additional cost involved. This additional cost is dealt with in a letter to A. E. Hulse, Chief Assessor, City of Montreal, under date of June 10th, by H. McAuslane, Inspector of Real Estate for the Sun Life Company, from which we quote as follows:

- 10 “(a) The cost of the sidewalk was \$70,335.00.
- “ (b) The cost of temporary partitions required for occupancy by our staff during the construction period was \$233,713.38.
- “ (c) The value of the walls and floors demolished and the cost of demolishing to permit the old and new buildings to be blended into one building was \$1,215,450.00.”

20 Note: The above amounts, totalling \$1,519,498.38 have been deducted from our estimate of the replacement cost of the office building.

Following is a summary of the three estimates of value of the two buildings:

	G. Desaulniers and H. Mills	Brian R. Perry	V. A. Fournier
Office Building—estimated reproduction cost	\$18,845,134.90	\$20,008,700.00	\$18,266,574.22
30 Cost of financing during construction	706,500.00	750,000.00	481,400.31
Taxes on land during construction	64,152.45		
Gross cost	<u>19,615,787.35</u>	<u>20,758,700.00</u>	<u>18,747,974.53</u>
Depreciation	2,648,131.30	2,698,630.00	2,360,007.65
Net value	<u>\$16,967,656.05</u>	<u>\$18,060,070.00</u>	<u>\$16,387,966.88</u>
40 Power House — estimated reproduction cost	\$ 634,370.43	\$ 636,000.00	\$ 642,331.09
Cost of financing during construction	4,757.77		
Taxes on land during construction	1,929.49		
Gross cost	<u>641,057.69</u>	<u>636,000.00</u>	<u>642,331.09</u>
Depreciation	76,926.92	134,780.00	218,186.63
Net value	<u>\$ 564,130.77</u>	<u>\$ 501,220.00</u>	<u>\$ 424,144.46</u>
TOTAL — Office Building and Power House	<u>\$17,531,786.82</u>	<u>\$18,561,290.00</u>	<u>\$16,812,111.34</u>

Note: The considerable difference in the estimated cost of financing, as shown above, is due to the fact that Mr. Perry and ourselves considered the construction period of the office building as 3 years whereas Mr. Fournir considered it as 2 years.

February 24th, 1943.

10 BRIAN R. PERRY, M.E.I.C.
Consulting Engineer
Alliance Nationale Building
Montreal

City of Montreal,
City Hall,
Montreal.

20 Attention: Mr. R. N. Seguin,
Assistant City Attorney,

Gentlemen:

Re: Sun Life Building and Power House

30 I have made a careful estimate of the replacement value of the Sun Life Building and find the value as stated below, based generally on values applicable in 1939-40. This figure has been obtained by making a careful estimate of all major and basic items of construction such as steel, floor construction, wall construction, etc. I have calculated a gross quantity for each item and applied a unit price worked out to suit average typical conditions. For items which vary from this average a differential has been applied.

40 This estimate has been checked as carefully as possible against information obtained in other ways and against other known values. It has also been compared in a general way with the known cost of other buildings, keeping in mind the differences in construction.

Depreciation has been applied at a fixed rate of 1% per annum. The building is of a class which is not surpassed in Canada (or probably on the continent) for quality of materials, layout and design and for the permanence of construction. Assuming ordinary maintenance of mechanical equipment in keeping with the class of building, and balancing the relative values of the portions subject to deterioration and the more permanent parts, I consider that 1% is a reasonable average rate over the whole establishment.

Obsolescence as a part of depreciation is a minor item. The building services were established at the peak of practicable ideas in use at the time of construction and are well above practically any similar accommodation to-day. They will remain above the average for many years to come. Possible changes to service demanded by the public are not predictable for long periods ahead but this building is so arranged that changes can be effected far
 10 more easily than in most buildings.

Present evident physical deterioration is practically nil. There are a few granite stones that have been cracked. In a practical way nothing can be done about them. There are a few plaster cracks especially at the junction of old and new buildings. The *value* of these items of damage is negligible.

Depreciation was applied from an artificial date of completion obtained by balancing the cost and completion date of separate parts of the building.
 20

In my opinion these figures show a fair conservative replacement value as at Dec. 1, 1941, but based on costs current in 1939-40, in order to avoid unfair distortion prejudicial to the owners, on account of unusual conditions occasioned by the war. Taxes on land value during the construction period are also a legitimate part of replacement cost. They have been omitted from this estimate because of the hypothetical nature of the assumed construction period and because of the impossibility of establishing a similar potential cost for the project as carried out. It is
 30 assumed that this item of land taxes will be included as a part of the real estate valuation.

	Main Building—Replacement Cost	\$20,008,700.	
	Financing	750,000.	
		<hr/>	
	Gross Cost	20,758,700.	
	Depreciation	2,698,630.	
		<hr/>	
	Net Value		\$18,060,070.
40	Boiler Plant —Replacement Cost	\$ 619,000.	
	Depreciation	132,780.	
		<hr/>	
	Net		486,220.
	Tunnel —Replacement Cost	\$ 17,000.	
	Depreciation	2,000.	
		<hr/>	
	Net		15,000.
			<hr/>
	Total for all Buildings		\$18,561,290.

Yours very truly,

BRP/ch

Brian R. Perry.

VICTOR A. FOURNIER

Civil Engineer

Telephone:
ATlantic 2676
CALumet 5781

860 Dunlop Avenue,
Outremont, Que.,
August 18th, 1942.

10 City of Montreal,
City Hall,
Montreal.

Attention: Mr. R. N. Seguin,
Assistant City Attorney,

Gentlemen:

Re: Sun Life Building and Power House

20 At your request, I have made an investigation of the Sun Life Office Building, on Dominion Square, Montreal, and of the Power House on Mansfield Street, and I have studied their respective plans in view of determining their replacement costs and actual values and I hereby beg to submit my report.

30 Due to conditions brought about by the state of war, it is impossible to obtain firm prices for certain materials and I have therefore figured the cost of reproduction of these buildings on the prices for material and labour as prevailing in 1939, before the war.

I have considered the erection of these buildings in one operation, thus eliminating the added cost of strengthening or adjusting which might have been caused by the erection of this building in two or three different and successive steps.

40 It is my considered opinion that the replacement cost in 1939, of the main building (completely finished) amounts to \$19,103,750.21 from which must be deducted an amount of \$355,775.68 for the unfinished areas leaving an amount of \$18,747,974.53 as replacement cost in 1939, of the main building as it existed at the end of 1941.

The quality of the materials used, especially for the exterior of the building, justifies, I believe, a depreciation rate of not more than 1% per year for deterioration; the architectural aspect of the building forbids contemplating any obsolescence; I have therefore applied a total depreciation rate of 1% per annum.

To divide the cost of the main building between the three parts which are of different age, I have figured the cubic contents of each of these parts and applied a rate of depreciation to each in proportion to its age.

The building contains 22,000,249 cubic feet; the first part, erected in 1918, contains 2,113,758 cu. ft.; the second part, erected in 1925, contains 1,134,727 cu. ft.; the third part, erected in 1931, contains 18,751.764 cu. ft.

The cost of replacement, in 1939, figured proportionately to the various cubic contents and the depreciated values in 1942 for each of these sections is as follows:

	Cost of replacement in 1939	Depreciation 1% per annum	Values in 1942
1st part (1918)	\$ 1,835,465.81	\$ 440,511.79	\$ 1,394,954.02
2nd part (1925)	985,331.63	167,506.38	817,825.25
3rd part (1931)	16,282,952.77		
unfinished	355,775.68		
	<u>\$15,927,177.09</u>	<u>\$1,751,989.48</u>	<u>\$14,175,187.61</u>
Total —	\$18,747,974.53	\$2,360,007.65	\$16,387,966.88

The total annual depreciation on the building as it existed at the end of 1941, would therefore be \$187,479.75 and total depreciation to date amounts to \$2,360,007.65, which would indicate an average age in 1942 of a little more than 12½ years.

To establish the value of the Power House, I have divided it into three parts which in my opinion are affected by different rates of depreciation.

In this case as in the case of the main building, the cost of replacement is based on prevailing 1939 prices.

(a) <i>Tunnel:</i>			
Cost		\$14,388.97	
Depreciation — 12 years at 1%		1,726.67	
		<u> </u>	
	Value in 1942		\$12,662.30
(b) <i>Building:</i>			
Cost		\$353,967.72	
Depreciation — 12 years at 2%		84,952.25	
		<u> </u>	
	Value in 1942		\$269,015.47

(c) <i>Boilers, Machineries,</i>		
<i>Equipment, etc.:</i>		
Cost		\$273,974.40
Depreciation — 12 years at 4%		131,507.71
		<hr/>
	Value in 1942	\$142,466.69
<i>Power House:</i>		
Cost		\$642,331.09
Depreciation		218,186.63
		<hr/>
	Value in 1942	\$424,144.46

The annual depreciation amounts to \$18,182.22 which gives a composite rate of 2.83%.

I would be glad to supply any additional information you may wish to ask.

I remain,

Yours truly,

Victor A. Fournier,

860 Dunlop Avenue, Outremont.

Civil Engineer.

**SHERIDAN - KARKOW FORMULA
FOR DETERMINING THE RENTAL VALUE OF
OFFICE SPACE**

Prepared to reflect the relative value of various kinds of space within any given building in relation to the base rate of that building. The table which follows is copied from the Formula.

	<i>Location of Space Facing Streets</i>	<i>Interior Light Wells</i>
Rate for standard depth on 8th floor	Base Rate	Top floor at 85% of rate for same floor street frontage.
Height above street	Add 1% for each storey over, or deduct 1% for each of the first two storeys under the 8th floor and 2% per floor under the 6th floor.	Deduct 1% per floor for ten floors below top and 3% per floor for additional floors below top.
Depth of office	Add 1.5% per foot for each foot under standard depth between 25' and 15'. Deduct 2% for each foot over standard depth between 25' and 35' depth and 1% for each additional foot beyond 35'. (See footnotes).	Add or deduct 2% for each foot under or over standard depth respectively.
Width of office (column centres)	Deduct 2½% for each foot over standard width (18'). No deduction where area is used as open work space.	Same as street frontage.
Corners - defined as area from outside walls to nearest interior column, or arbitrary area of 450 square feet.	For street intersections add 15% to rate. For unobstructed alley or lot line add 10% and for obstructed alley or lot line corner add 5%.	

Explanatory Footnotes on Formula—Areas located more than 50' from street windows to be valued at 33-1/3% of base rate. Non-typical space such as walk-up floor, etc., of less than rental value as determined by formula and not provided for in above classifications, apply discounts reflecting fair reductions from formula rates, but in no case to exceed 10%. Dead areas on inside corners not in line with windows to be valued at 50% of adjoining space.

* * * * *

Modifications to Formula—Before using the factors listed above to determine the relative value of various types of rentable space in the Sun Life Building we interviewed Mr. Waldemar Karkow (co-author of the formula), in Chicago. He recommended certain modifications to the printed formula which we tested and decided to follow. These were:

20

(a) depth factor (street front), for offices less than 25' deep — changed from 1.5% per foot to 1% per foot.

(b) depth factor (street front), for offices between 25' and 35' deep — changed from 2% per foot to 1%.

30

(c) depth factor (interior light-well), for offices under or over standard depth of 25' — add or deduct 2% per foot — changed to 1%.

(d) Height factor above the 8th floor — changed to 1% additional value on 9th and 10th floors and all floors above the 10th to be the same as 10th.

40

(e) Corner influence factor — The additional value of 15% applies to corner areas of 450 square feet suitable for subdivision into 3 small offices with a window in each. This condition does not exist in the Sun Life Building, and we have applied only 5% to corner areas.

**MONEY INCOME FROM
THE SUN LIFE BUILDING —
ACTUAL AND ESTIMATED:**

Our estimate of the income obtainable from the subject property deals with the actual rentals paid in 1941 for the tenant occupied space, the estimated 'fair market value' of the space which is rented or offered to rent, and the estimated 'fair mar-

ket value' of the space which is occupied by or reserved for the use of the Sun Life Company.

10 In investigating the rentals paid during 1941 in this and other uptown office buildings we found a considerable variation in the level of prices for units of space in which there was little or no difference in actual value. This lack of uniformity in rentals was brought about during the years of depression when excessive vacancies (ranging from 20% to 30%) produced a highly competitive rental market and owners were unable to maintain a fair or uniform price schedule in their respective buildings. Some levelling up of sub-standard rentals had been accomplished by the end of 1941 when, according to statistics compiled by the Montreal Building Owners and Managers Association, vacancies in 20 uptown office building averaged 9%.

20 In the light of the conditions aforementioned we considered it unsound to accept the 1941 schedule of rentals in the Sun Life Building as necessarily representing the 'fair market value' of the space leased. We accordingly investigated all of the leases for space in this building and found some of the rentals paid were in keeping with the 'fair market value' of the space leased, a few were slightly above the market and quite a number below it.

30 To provide a rental price structure which could be applied uniformly throughout that portion of the building which is leased or offered to rent we used the Sheridan-Karkow Formula, endorsed by the National Association of Building Owners and Managers in 1933, and used to determine the relative values of various types of rentable space in office buildings. This Formula and the manner in which it has been applied to the rentable space in the Sun Life Building are explained on page 31.

40 Briefly, the Formula is a workable method of determining value by applying to each typical space a few simple factors, such as street exposure, light-well exposure, obstruction, height, depth, corner influence, etc., (see table, page 31). It introduces a new unit of measurement that relates area to value. This is known as 'equivalent area'. It takes as a standard of value a typical office (actual or theoretical) 18' x 25' in size, on the 8th floor of the building in question. This standard office rates as 'par' which means that rentable area and 'equivalent area' are the same. Other typical offices are then compared with the standard office. If the space is more desirable, the 'equivalent area' will be greater. If the space is less desirable, the 'equivalent area' will be less.

Once the 'equivalent areas' have been determined throughout the building, the rental rate for the standard office becomes the 'base rate', and the rental rate for any space above the ground floor is the 'equivalent area' multiplied by the 'base rate'.

Base Rate—To determine the 'base rate' applicable to the leased and vacant space in this building we first estimated the 'equivalent areas' of the units of space under lease and the rentals per square foot of 'equivalent area' paid by each tenant on the 8th, 9th and 16th floors. The statement which follows shows the 'actual area' and 'the equivalent area' of the space occupied by each of the 25 tenants on these floors, the total annual rental paid by each tenant, and the rental paid per square foot for 'actual area' and for 'equivalent area'.

20 STATEMENT PREPARED TO SHOW THE 'ACTUAL' AND 'EQUIVALENT' AREAS OF THE SPACE RENTED ON THE 8th, 9th AND 16th FLOORS OF THE SUN LIFE BUILDING AND THE RENTALS PAID PER SQUARE FOOT OF 'ACTUAL' AND 'EQUIVALENT' AREA

Name of Tenant	Annual Rental	Area Leased		Rental Paid Per Sq. Ft.	
		Actual sq. ft.	Equivalent sq. ft.	Actual Area	Equivalent Area
<i>Eighth Floor:</i>					
40 Kenyon & Eckhardt Limited	\$ 1,320.00	548	625	\$2.41	\$2.11
Grand Duchy of Luxembourg	780.00	442	486	1.76	1.60
J. A. Falconbridge	480.00	210	231	2.29	2.08
St. Lawrence Corporation	7,880.00	4,577	4,067	1.72	1.94
Aluminum Company of Canada	4,250.00	3,280	2,788	1.29	1.52
	<u>\$14,710.00</u>	<u>9,057</u>	<u>8,197</u>	<u>\$1.62</u>	<u>\$1.79</u>

Name of Tenant	Annual Rental	Area Leased		Rental Paid Per Sq. Ft.	
		Actual sq. ft.	Equi- valent sq. ft.	Actual Area	Equi- valent Area
10 Ninth Floor:					
Brown Corporation	\$ 1,380.00	631	725	\$2.19	\$1.90
Frank Calder (National Hockey League)	1,320.00	640	711	2.06	1.86
Algoma Steel Corporation	3,300.00	1,933	1,698	1.71	1.94
Canada Iron Foundries Limited	1,080.00	640	549	1.69	1.97
— do —	6,800.00	4,560	3,843	1.49	1.77
Canadian Advertising Agency	5,500.00	3,797	3,240	1.45	1.70
C.N.R. Board of Adjustment	2,100.00	1,248	1,084	1.68	1.94
20 F. P. Weaver Coal Company Limited	1,080.00	624	542	1.73	1.99
— do —	4,080.00	2,486	2,212	1.64	1.84
Stevenson & Kellog Limited	1,147.56	448	498	2.56	2.30
— do —	1,200.00	709	475	1.69	2.53
— do —	810.00	448	369	1.81	2.20
Newsprint Ass'n of Canada	2,800.00	1,370	1,440	2.04	1.94
Elliott, Haynes Limited	780.00	448	369	1.74	2.11
Electrical Trading Co. Ltd.	840.00	448	369	1.88	2.28
Military District No. 4	720.00	448	369	1.61	1.95
Shaw Schools Limited	780.00	476	392	1.64	1.99
30 Canadian Linotype Limited	540.00	363	247	1.48	2.19
	<u>\$36,257.56</u>	<u>21,717</u>	<u>19,132</u>	<u>\$1.67</u>	<u>\$1.90</u>
Sixteenth Floor:					
Consolidated Paper Corporation Limited	\$28,205.00	15,460	13,407	\$1.82	\$2.10
Canadian Pulp & Paper 40 Association (Wartime Service Dep't)	1,600.00	1,442	1,175	1.11	1.36
Canadian Pulp & Paper Association	480.00	468	234	1.03	2.05
Business Men's Health Club	3,000.00	2,240	2,000	1.34	1.50
Ayers Limited	1,380.00	760	679	1.82	2.03
Bathurst Power & Paper Company Limited	5,500.00	3,141	2,917	1.75	1.89
	<u>\$40,165.00</u>	<u>23,511</u>	<u>20,412</u>	<u>\$1.71</u>	<u>\$1.97</u>

Upon consideration of the above statement we came to the conclusion that the present rental market for office space in the Sun Life Building (as indicated by the actual rentals paid in the building) would justify a base rate of \$1.95 per square foot of 'equivalent area'.

10 **COMPARISON OF RENTALS PAID IN THE SUN LIFE BUILDING WITH THOSE PAID IN OTHER LARGE OFFICE BUILDINGS IN MONTREAL**

As a further check on the base rate of \$1.95 applied to the rentable space in the Sun Life Building we investigated the rentals paid in other Montreal office buildings in both the up-town and downtown sections. The two local buildings which afford the best basis of comparison with the subject property, although different in style of architecture and quality of construction, are the Dominion Square Building (erected in 1928) and the Royal Bank Building (erected in 1926).

We measure the total rentable area on a typical floor in each of these buildings, from plans on file with the City, and applied the Sheridan-Karkow Formula to determine the 'equivalent area' of each floor. The rentals paid in 1941 for the space leased were also obtained from the City and by relating the total rental paid for the space on each typical floor to the total 'equivalent area' we were able to estimate the average rental paid per square foot of 'equivalent area' in each building. The detailed estimates appear on pages 69 and 70 in book of exhibits, from which we quote as follows:

Building	Total Annual Rental 1941-1942	Total Rentable Area		Rental Paid Per Sq. Ft.	
		Actual sq. ft.	Equivalent sq. ft.	Actual Area	Equivalent Area
Dominion Square (7th floor)	\$34,466.50	26,900	22,487	\$1.55	\$1.77
Royal Bank (8th floor)	20,180.00	10,087	9,609	2.00	2.10

The average rentals of \$1.77 per square foot paid for 'equivalent area' in the Dominion Square Building and \$2.10 paid in the Royal Bank Building tend to further justify the base rate of \$1.95 applied to the 'equivalent area' in the Sun Life Building.

The total area occupied by tenants in the Sun Life Building (above the ground floor) is 254,905 square feet, and the total rental paid \$400,402.12, equal to \$1.57 per square foot of actual area.

**MONEY INCOME FROM THE PROPERTY —
ACTUAL AND ESTIMATED:**

10

To estimate the 'money income' obtainable from the subject property, we measured all of the rentable space in the 3 basements and 25 floors of the office building, in accordance with the standard method of floor measurement of the National Association of Building Owners and Managers.

20

The actual rentable areas on each floor (with the exception of the space occupied by or reserved for the use of the Sun Life Company) have been converted into 'equivalent areas' through the application of the Sheridan-Karkow Formula. The 'equivalent areas' multiplied by the base rate of \$1.95 per square foot gives the estimated rental value of the tenant occupied and rentable space.

30

We did not apply the Sheridan-Karkow Formula to the owner occupied space, most of which is strictly institutional in character. Its many special and unusual features are not dealt with in the Formula and afford little basis for comparison with standard units of space. This space can only be considered on the basis of 'value-in-use' to the owner and we have estimated the rental value of this space, per square foot of actual area (exclusive of amenities), as follows:

	Ground floor	\$2.50 per sq. ft.
	All floors above ground:	
	Outside space	2.00 " " "
	Inside space	1.00 " " "
	Storage space — 24th floor .....	.75 " " "
40	Basement No. 1	2.25 " " "
	" No. 2	1.00 " " "

In estimating the rental value of the owner occupied space at a rental per square foot somewhat above the value estimated for the tenant occupied space we considered the following advantages enjoyed exclusively by the owner:

- (a) the entire rentable space in this building was specially designed to provide the best possible working accommodation,

kitchen and dining room conveniences, recreational facilities, assembly hall, and hospital, to serve the requirements of an unusually large and fast growing organization.

10 (b) the privilege of adding to the working space presently occupied in the building, to accommodate its constantly expanding needs. The area presently occupied by the owner (424,635 square feet) is considerably in excess of the total rentable area in the next largest office building in Montreal.

(c) the owner further benefits from the exclusive use of the three elevators, namely:

20 1 kitchen freight elevator, 300 feet per minute speed, car-switch control, 3000 lbs. capacity, serving from 3rd basement to 7th floor.

1 automatic push button private elevator, 150 feet per minute speed, serving 1st basement to 5th floor.

1 passenger elevator in bank A, used for distributing inter-department mail, 600 feet per minute speed, serving 3rd basement to 7th floor and which can operate in passenger service in cases of emergency.

30 All of the floor plans are reproduced in the book of exhibits and the dimensions of each unit of rentable space are clearly shown on these plans. To indicate the space which is owner occupied, tenant occupied or vacant we have had the plans coloured in accordance with the following 'colour index':

Red — space occupied by Sun Life Company
Light Yellow — " " " Aluminum Company
Russet Brown — " " " Military District No. 4
40 *Green* — vacant space — finished
Blue — " " — unfinished

the other colours used, viz:

Deep Yellow, Orange, Mauve, Scarlet and Grey
indicate units of space occupied by other tenants.

With each floor plan is an accompanying statement containing the following information in connection with the respective floors.

(a) name of tenant, term and annual rental specified in each lease.

- (b) dimensions and area of each unit of rentable space.
- (c) Sheridan-Karkow co-efficiency factors used to estimate the 'equivalent area' contained in each unit of rentable space.
- 10 (d) estimated rental value of the space leased or offered to rent.
- (e) comparison of rentals per square foot — actual and estimated.
- (f) estimated value-in-use of the owner occupied space— exclusive of the value which accrues to the benefit of the owner from amenities.

20 SUMMARY OF ESTIMATES
OF RENTABLE AREAS,
INCOME AND RENTALS
PER SQ. FT.:

Estimated Rentable Area:

	Occupied by tenants	279,252	square feet
	Occupied by owner	424,635	“ “
30	Vacant — finished	32,076	“ “
	“ — unfinished	87,388	“ “
	TOTAL	823,351	“ “

Estimated Annual Income:

	Tenant occupied space	\$474,073.20
	Owner “ “	830,316.00
	Vacant space	192,055.25
40	TOTAL	\$1,496,444.45

Estimated Rental Per Square Foot:

	Tenant occupied space	\$1.70
	Owner “ “	1.96
	Vacant space	1.61
	<i>Average for all Space</i>	\$1.82 per square foot

**ESTIMATED COST OF SERVICES RENDERED
IN OFFICE BUILDINGS**

Derived from the Experience Exchange Reports
(for the years 1938-1941)

prepared by the Accounting Committee of the
National Association of Building Owners and Managers.

10 Calculated on the basis of cost per square foot of rentable area.

	Report for New England Region 1938 Cents per Square foot	Report for 5 Buildings In Montreal 1938 Cents per Square foot	Report for New England Region 1941 Cents per Square foot	Estimated for Montreal 1941 Cents per Square foot
20				
Cleaning	16.7	14.5	18.6	16.4
Electric System	3.2	1.9	3.3	2.0
Heating	6.7	6.3	9.8	9.4
Air-Conditioning	—	—	1.3	1.3
Plumbing System	1.1	.8	1.6	1.3
Elevators (see note)	9.9	10.1	8.8	9.0
Alterations	2.7	1.8	4.4	3.5
30 Repairs and Maintenance	3.1	1.3	4.7	2.9
Decorating	3.1	2.9	2.6	2.4

Explanatory Notes:

40 Elevators—The report figures are based on an average of 1 elevator for every 25,000 square feet of rentable area. On this basis, 32 elevators would be operated in the Sun Life Building. As only 28 are contemplated, we have taken as an equalizing factor 7/8 of the factor derived from the Experience Exchange Reports. The cost of operating the elevators is computed on a net rentable area of 802,241 square feet. This area was arrived at by deducting from the total rentable area (823,351 square feet) the inactive space contained in the upper portions of the Banking Hall (5,668 square feet) the Assembly Hall (6,120 square feet) and the Gymnasium (9,322 square feet) total 21,110 square feet. We have therefore used a factor of 7.9 cents per square foot of area.

ECONOMIC VALUE OF THE PROPERTY:

Properties for appraising ordinarily fall into two major classes; 'investment' and 'non-investment'. The differentiating factor is the motive which will prompt a capital outlay by the prospective owner. If the purpose is to secure a money income primarily from the advantageous location of site and the appropriateness of improvement to that site, then the property will qualify as investment. If, on the other hand, the prospective income will not be primarily a money income, but will be for the most part in the form of 'value-in-use' to the owner and of 'amenities' which will accrue to the benefit of the owner, the property should be considered non-investment in general characteristics.

It is our opinion that the Sun Life Building belongs in the general classification of non-investment property. Features which tend to characterize it as such are as follows:

- (a) classic style of architecture, of the Corinthian order, used to provide beauty of form and proportion, and qualities of longevity and stability, rather than to produce the maximum of income, which would be the prime motive in designing a building intended solely for investment.
- (b) standards of construction and finish which make the building substantially more costly to erect than the typical high-class office building, and which do not produce a money income commensurate with the additional cost.
- (c) the use of large areas in the building for other than commercial purposes. These areas include: kitchen services, private dining rooms, large cafeteria, assembly hall, gymnasium, bowling alleys, billiard room, ladies, and men's lounges, and hospital.

* * * * *

VALUATION APPROACH:

Placing the property in the classification of non-investment type precludes the use of the income-capitalization method to estimate its economic value. The income from this property is made up partly of money and partly of amenities in the form of personal satisfaction resulting from individual ownership and

control, prestige, and advertising value. Since amenity income is intangible and not measurable by ordinary standards it cannot be capitalized. To capitalize only the money part of the income would reflect a false value.

We have, however, estimated the net money income obtainable from the subject property to indicate the yield therefrom, exclusive of amenities. This income is shown in the operating statement which appears on page 40. The estimated gross income is derived from the summary of rental estimates which appears on page 9, book of exhibits. The estimated expenses are based upon the average operating expenses of other office buildings in Montreal and the New England region, as reflected in the Experience Exchange Reports prepared annually by the National Association of Building Owners and Managers from statements filed with the Association by member firms. The break-down of these expenses is shown on page opposite (Number 37).

EXPLANATORY NOTES

Regarding Operating Statement on Opposite Page — Number 40.

The amounts included in operating statement, to cover the cost of insurance and allowance for annual depreciation, are explained below.

30 FIRE INSURANCE:

The office building is insured for \$1,000,000.00 for which the premium for 3 years is \$3,600.00 — 1 year \$1,200.00. The power house garage is insured for \$8,000.00, premium 3 years \$116.00 — 1 year \$38.67.

PUBLIC LIABILITY INSURANCE:

The Company carries public liability insurance for limits of \$50,000.00 — \$100,000.00, for which the actual premium is \$647.30 for 3 years — 1 year premium \$215.77.

ELEVATOR INSURANCE:

The premium paid by the Company for insurance on 25 existing elevators and for a term of 3 years is \$2,632.80. Our estimate of income obtainable from the office building is based upon its being entirely completed, which would necessitate adding three new elevators. The estimated 3 years premium has therefore been proportionately increased to \$2,948.68 — 1 year premium \$982.89.

BOILER INSURANCE:

The premium paid by the Company for insurance on boilers is \$601.30 for 3 years — \$200.43 for 1 year; pumps and equipment are insured for \$750.00, premium \$6.60 for 1 year.

EMPLOYERS LIABILITY INSURANCE:

10

The estimated annual premium of \$1,957.90 for this insurance is arrived at as follows: rate quoted in Manual of Canadian Fire Underwriters — 85¢ per \$100.00 of annual wages, plus \$10.00 per annum per elevator. Annual wages (as estimated from Experience Exchange cost indexes) \$197,351.00.
 $1,974 \times 85¢ = \$1,677.90$. Add \$280.00 for 28 elevators
 $= \$1,957.90$.

DEPRECIATION:

20

The estimated economic life of the office building and power house is 100 years and the rate of depreciation 1% per annum. The statement on page 24 of this report shows the accrued depreciation applicable to the office building, as of December 1st, 1941, amounted to 13½% — indicating an average age of 13½ years. The accrued depreciation applicable to the power house amounted to 12% — indicating an age of 12 years.

30 Our estimate of the value of the office building, as of December 1st, 1941, when it had a remaining economic life of 86½ years is \$14,400,000.00. The factor of annual depreciation which would amortize the said amount of \$14,400,000.00 in 86½ years is $100 \div 86.5 = 1.15607\%$. The annual depreciation to be applied to the office building is therefore $1.15607\% \times \$14,400,000.00 = \$166,474.08$.

40 Our estimate of the value of the power house, as of December 1st, 1941, when it had a remaining economic life of 88 years is \$470,000.00. The factor of annual depreciation which would amortize the said amount of \$470,000.00 in 88 years is $100 \div 88 = 1.13636\%$. The annual depreciation to be applied to the power house is therefore $1.13636\% \times \$470,000.00 = \$5,340.89$.

OPERATING STATEMENT FOR 12 MONTHS ENDING
DECEMBER 1st, 1941

The annual income included in this statement is the total estimated rental value of the owner occupied, tenant occupied, and vacant space. The annual expenses have been estimated by apply-

ing the cost indexes per square foot of rentable area, derived from the Experience Exchange Reports of the National Association of Building Owners and Managers for the years 1938-1941. The amounts included for insurance and management are based upon actual costs in Montreal.

INCOME:

10	Estimated rental value of 823,351 square feet of rentable area contained in Sun Life Building — see page 36	\$1,496,444.45	
	Allowance for vacancies — 5% of estimated income from tenant occupied and vacant space	33,306.42	
	<i>Effective Gross Income</i>		\$1,463,138.03

20

ESTIMATED EXPENSES:

Estimated cost per square foot of rentable area

	Cleaning	16.4¢	\$ 135,029.57
	Electric system	2.	16,467.02
	Heating	9.4	77,395.01
30	Mechanical-ventilation	1.3	10,703.57
	Plumbing system	1.3	10,703.56
	Elevators	7.9	63,377.04
	Alterations	3.5	28,817.19
	Repairs and Maintenance	2.9	23,877.18
	Decorating	2.4	19,760.43

FIXED CHARGES:

	<i>Insurance:</i>		<i>Annual cost</i>
40	Office building, fire insurance — \$1,000,000.00, premium 3 years	\$3,600.00	\$1,200.00
	Power House (garage): fire — \$8,000.00 premium 3 years	116.00	38.67
	Public Liability: limits \$50,000. —		

	\$100,000, premium		
	3 years	647.30	215.77
	Elevators premium		
	3 years (see note)	2,948.68	982.89
	Boilers premium		
	3 years (see note)	601.30	200.43
	\$750. on pumps		
10	and equipment		6.60
	Employers Liability (see note)	1,957.90	4,602.26

Management Fees: 5% of estimated income from tenant occupied and vacant space, plus \$10,000.00 a year for management of owner occupied space 43,306.42

20 TAXES:

	<i>Office Building and Land</i> — Annual taxes for the year 1942-43 based upon a building assessment of \$13,024,900 and land assessment of \$730,600.	411,014.34	
	<i>Power House and Land</i> —Annual taxes for the year 1942-43 based upon a building assessment of \$446,400 and land assessment of \$74,100	15,768.54	
30			
	<i>Total Expenses</i>		860,822.23
	Net income from property before depreciation		602,315.80

DEPRECIATION:

Office Building:

40 1.15607% of \$14,400,000.00-(see note) \$166,474.08

Power House:

1.13636% of \$470,000.00 -(see note) 5,340.89 171,814.97

Net Income from Property \$ 430,500.83

COST OF AMENITIES:

In addition to estimating the money income obtainable from the property we have given careful consideration to the 'amenities' which accrue to the benefit of the owner occupant, for which no additional amount has been included in the estimated rental value of the owner occupied space. The cost and value of amenities would be included in any reproduction cost estimate and an adequate allowance for their value to the owner should properly be included in any estimate intended to reflect the economic value of the property.

The amenity features in the Sun Life building are more numerous and more costly than will be found in any other office building in Montreal. They embrace special and unusual features of design, construction, and finish which tend to give to this building character, permanence, and prestige above that of other high class office buildings.

The additional value which such features give to the subject property are not reflected in the rentals obtainable for the space leased to tenants. They were created for and cater to the particular needs and desires of the Company for which the building was erected. As such, their cost and rental value should properly be associated with, and applied to, the 'value in use' of the owner occupied space.

A conservative estimate of the excess costs of these amenity features was prepared by B. R. Perry, Consulting Engineer, and is shown in the statement which follows:

FEATURES IN SUN LIFE BUILDING —
CLASSED AS AMENITIES

Height (399 feet above sidewalk)—The excess cost of steel in the columns, due entirely to the additional height above the average height of office buildings in Montreal, is \$ 670,000.00

Further, if a lower height had been used reinforced concrete would have been practicable at a much lower figure. There is also an excess cost in the plumbing, heating and electrical trades, due to the extra height.

Note: There are only four other buildings of comparable height in Montreal, viz: Royal Bank Building 392 feet; Aldred Building 336 feet, Bell Telephone Building 315 feet, and C.I.L. House 205 feet.

	<i>Exterior Walls</i> —The entire exterior is faced with Stanstead granite and the estimated total cost of the granite used for plain walls (including setting) is \$2,100,000.00. Limestone would cost about 50% for materials; same cost for setting. Excess cost of granite over limestone	840,000.00
10	<i>Ornamental Features</i> —The cost of ornamentation (associated with the classic style of architecture used), constructed all in granite (including setting), is estimated at \$1,757,000.00. Limestone would cost about 40% for materials — same cost for setting. Excess cost of granite over limestone	952,000.00
20	This building has considerably more ornamentation than is used for strictly commercial office buildings. The amount included for ornamentation (in limestone) is \$805,000.00. If measured by ordinary standards, the cost of ornamentation would probably not exceed \$205,000.00 Excess cost —	600,000.00
	<i>Bronze Windows</i> —The windows throughout the building are of bronze which has not been used extensively in any other office building in Montreal. Estimated cost of bronze sash and vitre plate glass \$785,000.00. Good steel sash with a good quality of plain glass would cost \$255,000.00. Excess cost —	530,000.00
30	<i>Bronze Doors</i> —The cost of the entrance doors and elevator doors which are in bronze is estimated at \$225,000.00. A good standard type of revolving and elevator doors would cost \$81,000.00. Excess cost —	144,000.00
	<i>Marble and Tile Floors</i> —The floors of all main halls, wash rooms, and many of the corridors in the building are of marble and tile. Estimated cost of marble and tile floors (exclusive of Banking Hall) \$229,000.00. Terrazzo would cost \$56,000.00. Excess cost —	173,000.00
40	<i>Marble Walls</i> —All main corridors in building have marble dados 5'6" high and in some of the main halls the marble extends to the ceilings. Estimated cost of marble used for walls \$350,000.00. Plaster and plain base would cost \$40,000.00. Excess cost —	310,000.00
	<i>Banking Hall</i> —Estimated cost of marble and marble and bronze ornamentation \$469,500.00. Ordinary finish would cost \$70,000.00. Excess cost —	399,500.00
	<i>Total</i> —	\$4,618,500.00

EXTRA COST OF FINISHING CERTAIN UNITS
OF OWNER OCCUPIED SPACE

As mentioned on page 35 of this report, in estimating the value of the owner occupied space at a rental per square foot somewhat above the value estimated for the tenant occupied space, we considered the numerous large areas in the building specially designed for the owner occupant. The additional cost of finishing these special units is also reflected in our estimated rental value of the owner occupied space. The cost, as estimated by B. R. Perry, Consulting Engineer, is shown in the statement which follows:

20 *Security Vault*—This vault, situated in basement No. 1, measures 22' x 86', and is one of the largest in America. It was manufactured by York Safe Company of New York, and is furnished with the most modern means of protection against loss by burglary or fire. It is lined with armour-plate 2" thick and its walls, floors and ceiling are of concrete 30" thick, in which are embedded steel sections. The vault door of specially prepared steel is 30" in thickness and weighs over 20 tons

Excess cost — \$ 225,000.00

30 Note: There are also two smaller vaults in this basement used by the Company and measuring 13' x 44' and 9' x 21'.

Kitchen Services—These services are situated in basement No. 1 and supply the private dining rooms and large cafeteria on the 5th and 6th floors.

Excess cost — 35,900.00

(for particulars, see page 14 book of exhibits)

40 *Kitchen and Cafeteria Services*—Situated on the 5th and 6th floors.

Excess cost — 233,000.00

(for particulars, see pages 26-28 book of exhibits)

Private Elevators—1 kitchen freight elevator, speed 300 feet per minute, car switch control, 3,000 lbs. capacity, serving 3rd basement to 7th floor. 1 automatic push button private elevator, 150 feet per minute, serving 1st basement to 5th floor. 1 passenger elevator in bank 'A' used as postal car, 600 feet per minute, serving 3rd basement to 7th floor.

Excess cost — 103,000.00

In addition, most of the other 22 elevators in the building are more costly than the standard type used in high class office buildings. Compared with ordinary standards they represent an excess cost in the neighbourhood of \$500,000.00.

10 *Hospital*—The tile, fittings, and equipment in the hospital on the 8th floor represents an excess cost of 57,100.00

20 *Gymnasium and Assembly Hall*—Structural steel to span the large areas in these units is far heavier than standard. The gross cost of the structural steel, concrete, etc., is as high or slightly higher than it would be if all floors were completed full area in a standard type of construction. Partitions, plaster, paint, heating and lighting are the same for the areas existing as they would be for the same space finished all through, on all floor levels, as standard commercial space. There is probably an excess cost over standard finish, but it is difficult to estimate the amount.

30 *Mechanical Ventilation*—This is the only large office building in Montreal which is mechanically ventilated throughout. The design of the ventilating system and the equipment used are particularly suited to local conditions. The existence of this modern and efficient ventilating system greatly enhances the desirability of the working space for both the owner and tenants. It is however, of greatest importance for ventilating the large areas of working space contained in the three basements, and from the ground to the tenth floor inclusive, where all of the owner occupied space is located. It will also tend to prolong the commercial life of the building.

40 The cost of this system cannot readily be segregated but the following figures represent a conservative estimate:

Ventilating apparatus	\$780,000.00	
Electrical equipment	200,000.00	
Approximately 50% of the cost of power house	300,000.00	
2 complete equipment floors estimated at 50% of the average cubic foot cost, 1,000,000 cubic feet	500,000.00	1,780,000.00
		<u>\$2,434,000.00</u>

SUMMARY OF MONEY INCOME AND AMENITIES

For reasons previously stated we consider the subject property to be of the non-investment type, from which the income derived is made up partly of money and partly of amenities. Amenity income is not measurable by ordinary standards and since, 10 it is not possible to capitalize that income which is not measurable, we have considered the amenities on the basis of their capital value, and the income as a yield on that part of the capital which remains after deducting the value of the amenities.

The estimated income and value of amenities are as follows:

Net income from property (see page 40)	\$ 430,500.83
20 Cost of amenities (see page 42) —	\$4,618,500.00
Depreciation—13½ years at 1% —	623,497.50
	<hr/>
Present capital value of amenities —	\$3,995,102.50

Many buildings of the monumental type have been erected by large insurance companies and banks and are viewed as special purpose buildings, which are not expected to yield a money income comparable 30 to that obtained from the more conventional type of building erected solely for investment. They are considered upon the basis of the 'justified investment'; that is such an amount as would be supported by a rate or percent of net income of not less than the average received by the owner from other investments.

CORRELATION OF THE VARIOUS FACTORS OF VALUE

40 The conclusions we have arrived at following a careful investigation of all of the factors which, directly or indirectly, reflect the 'real value' of the subject property are as follows:

- (a) The character and trend of the neighbourhood surrounding the property has shown consistent improvement since 1909 when the Sun Life Company made its first purchase towards assembling the large site used for its head office building. (See pages 4 and 5.)

- (b) The sites of the office building and power house are ideally suited to the improvements erected thereon. (See pages 5 and 6.)
- (c) The total price paid for 91,724 square feet of land in the office building site was \$864,461.50, equal to \$9.42 per square foot. (See page 8.)
- 10 The total price paid for 9,009 square feet of land in the power house site was \$104,295.00, equal to \$11.58 per square foot. (See page 8.)
- The present value of the office building site is \$844,045.00, equal to \$9.20 per square foot. (See page 11).
- The present value of the power house site is \$86,451.00, equal to \$9.60 per square foot. (See page 12.)
- 20 (d) The office building was designed and erected to fulfill the numerous and varied requirements of the owner occupant, and to make adequate provision for the future needs of a very large and fast growing organization. It represents an almost perfect fulfillment of the purpose for which it was erected. (See pages 13 to 17.)
- (e) The total amounts spent on the construction of the office building were as follows:
- 30
- | | |
|--|-----------------|
| Original building, erected in the years 1913 to 1921 | \$ 2,381,451.78 |
| 1st extension, erected in the years 1922 to 1926 | 1,894,694.97 |
| 2nd extension, erected in the years 1927 to 1941 | 16,410,440.87 |
| | <hr/> |
| <i>Total</i> — | \$20,686,587.62 |
- 40
- The total amount spent on the construction of the power house, erected in the years 1928 to 1930 was \$709,257.14. (See page 20.)
- (f) The total reproduction cost of the office building in 1941, adjusted to the Dominion Bureau's construction cost index for labour and material in 1939 (92.08) would have

been \$20,364,633.28 less \$1,519,498.38 which represents the excess cost of erecting the building in three sections — \$18,845,134.90. (See page 23.)

The total reproduction cost of the power house in 1941, adjusted to the construction cost index for 1939 (92.08) would have been \$634,370.43. (See page 23.)

10

(g) The value of the office building as of December 1st, 1941, based upon its reproduction cost and including the cost of financing and taxes on land during construction, less depreciation, was \$16,967,565.05. (See page 25.)

(h) The value of the power house as of December 1st, 1941, based upon its reproduction cost and including the cost of financing and taxes on land during construction, less depreciation, was \$564,130.77. (See page 25.)

20

(i) Reports published by the Sun Life Company indicate that, when the 2nd and largest extension to the building was started in 1927, the staff numbered 1,456 and the assurances in force amounted to \$1,487,000,000.00. By the end of 1941 the staff had increased to approximately 2,000 and assurances in force amounted to \$2,971,747,088.00. (See page 13.)

30

(j) The total rentable area in this building is 823,351 square feet, of which 424,635 square feet (51.6%) is occupied by the owner; 279,252 square feet (33.9%) is occupied by tenants; and 119,464 square feet (14.5%) is vacant. (See page 9 — Exhibits.)

40

(k) In view of the consistent growth of the Sun Life Company, during the 71 years it has been in existence, it appears that the requirements of the Head Office staff and district agencies will from time to time necessitate the use of additional space by the Company. In the meantime, the rentals from the space temporarily leased are now and may continue to be somewhat below the intrinsic value of the space. To compensate for this situation and for some slight over-improvement reflected in the installation of more plumbing fixtures than may be necessary and in the installation of 6 elevator shafts in Bank "B" which may never be used, we have reduced our estimate of the real value of the office building by 15%.

- (l) The 'real value' of the office building as of December 1st, 1941, was \$16,967,656.05. (See page 25.) Deduct 15% for the reasons stated in (k)-round figure value \$14,400,000.00.

The 'real value' of the power house as of December 1st, 1941, was \$564,130.77. (See page 25.) Deduct 15% for the reasons stated in (k) - round figure value - \$470,000.00.

10

- (m) The 'real value' of land and buildings as of December 1st, 1941, was as follows:

Land on which the office building is erected	\$ 844,000.00
Office building and equipment	14,400,000.00
Land on which the power house is erected	86,000.00
Power house building and equipment	470,000.00

20

Total Value, Land and Buildings — \$15,800,000.00

30

- (n) The estimated net income from the property of \$430,500.83 is based upon the building being fully completed. The cost of completing the unfinished space, as estimated by V. A. Fournier would be \$355,755.68 — in round figures \$350,000.00. The cost of installing 3 additional high-speed elevators (which will be required when the building is fully completed), as estimated by Otis-Fenton Elevator Company Limited, would be \$225,000.00. The total value of the property with the office building fully completed would therefore be \$16,375,000.00. The estimated net income of \$430,500.83 indicates a yield of 2.63%.

40

- (o) The attractive and important structural features in the Sun Life Building which tend to give it character, permanence, and prestige, above that of other office buildings, and which are classed as "amenities", represent a 'real value' to the owner of not less than \$3,995,102.60, or in round figures, \$4,000,000.00.

SUMMARY OF LEASES

We have read all the leases for the tenant occupied space, which were in effect on December 1st 1941, and the following brief summary records (a) the period covered by each lease, (b) the specified annual rental, and (c) any special conditions affecting the term of lease, rental payable, services included, or

the manner in which each unit of rented space was finished or equipped to meet the requirements of the individual tenant.

The location of each unit of tenant occupied space, dimensions, area and estimated rental value are shown on the photostats of floor plans and the accompanying rental valuation sheets, included in a separate book of 'Exhibits' which forms part of this report.

Basement #3 *United Kingdom Security Deposit*—Lease is for the period June 30th 1941 to July 1st 1945, at a rental of \$4,000.00 per annum.

The lessee agrees to provide and pay for the cleaning of the space and the estimated cost of cleaning 6,612 square feet of office space included in this lease (as derived from the Experience Exchange Reports of the National Association of Building Owners and Managers), would be 16.4¢ per square foot — \$1,084.37. Thus the rental paid for this space, including cleaning is \$5,084.37.

It is a further condition of the lease, that all alterations to the leased premises will be at the expense of the lessee and at the expiration of the lease the lessee is bound to put the premises in the same state in which they were when the lessee took possession in July 1940, unless the lessor prefers that such alterations should remain, without any compensation to the lessee. The lessee may however, remove furniture, fittings and fixtures, including vault doors and grille work installed by the lessee.

Lease may, at the option of the lessee, be cancelled upon 6 months notice and without indemnity.

* * * * *

Basement #2 *Roy Campbell*—Lease commenced in April 1938 and has been continued since that date on a monthly basis at a rental of \$90.00 per annum.

* * * * *

Basement #1 *Andrew Baile*—Lease is for the period May 1st 1941 to April 30th 1943, at a rental of \$90.00 per annum.

The terms mentioned corresponds with the term of lease to Andrew Baile for room 74 on the ground floor. The space leased is the abandoned elevator shaft of Bank 'F' Elevators.

* * * * *

10 " *Consolidated Paper Corporation Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$240.00 per annum. The lease has been renewed several times and the rental has been the same since May 1938 when this Company rented the entire 14th floor for 10 years.

* * * * *

20 Ground Floor: *Bank of Montreal*—Lease is for the period September 1st 1940 to August 31st 1950, at an average annual rental for the unexpired term of the lease of \$7,511.76. On December 1st 1941 the lease had 8 years and 9 months to run at rentals as follows:

Dec. 1941 to Aug. 1942, 9 months at \$415.62—\$3,740.58
Sept. 1942 to Aug. 1943, 12 months at \$475.00— 5,700.00
Sept. 1943 to Aug. 1944, 12 months at \$534.37— 6,412.44
Sept. 1944 to Aug. 1945, 12 months at \$593.75— 7,125.00
30 Sept. 1945 to Aug. 1950, 60 months at \$712.50—42,750.00

Total rent for 105 months: \$65,728.02

Average rent per month—\$625.98, for 12 months \$7,511.76

Note: There is a clause in the lease excluding any other bank from this building during the term of lease.

* * * * *

40 " *Meyer's Studios*—Lease is for the period May 1st 1939 to April 30th 1942, at an annual rental for the first year of \$1,170.00; for the second year \$1,400.00 and for the third year \$1,500.00. Included in the lease is the use of some storage space in the basement.

* * * * *

" *United Cigar Stores Limited (Restaurant)*—Lease is for the period January 1st 1939 to December 31st 1948.

10 A previous lease for a smaller area ran from May 1933 to December 1938. Percentage lease in which the annual rental is specified as 10% of the first \$36,000.00 of gross sales and 7½% of the gross sales in excess of \$36,000.00 in each year. Rental paid for the year 1941 was \$4,366.79. The lessor has the right to cancel the lease after February 1942 upon one year's prior notice and upon payment to the lessee of an indemnity equal to 10% of the cost of new equipment (wholly paid for by lessee) for each year whereby the term of lease is reduced — such 10% not to exceed \$1,000.00. Upon payment of such indemnity by the lessor the equipment will become the property of the lessor. The actual cost of new permanent equipment is shown in a statement dated August 31st 1939 to be \$10,572.56.

20 The lessee is given the exclusive right to operate a public restaurant in this building.

* * * * *

“ *United Cigar Stores Limited (Cigar Store)*—Lease is for the period January 1st 1939 to December 31st 1945.

30 A previous lease for a smaller area ran from May 1933 to December 1938. Percentage lease in which the annual rental is specified as \$40.00 per month plus 10% of the first \$50,000.00 of gross sales and 7½% of gross sales in excess of \$50,000.00 in each year.

The rental paid in 1941 was \$5,601.02.

The lessee is given the sale right to sell smoker's supplies and magazines in this building.

* * * * *

40 “ *Charles W. Buist (Barber Shop)*—Lease is for the period May 1st 1941 to April 30th 1942.

A previous lease ran from September to April 1941.

Percentage lease in which the annual rental is specified as \$75.00 per month plus 10% of the monthly takings in excess of \$400.00. Rental paid in 1941 — \$1,066.50.

Included in lease are certain articles of equipment and the required amount of electricity.

* * * * *

10 “ *J. H. Victor & Son Incorporated (Lingerie)*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$900.00 per annum. Previous lease from May 1939 to April 1941.

“ *Canadian National Railway Telegraphs*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$900.00 per annum. Previous lease from January 1940 to April 1941.

* * * * *

20 “ *Canadian Pacific Railway Telegraphs*—Lease is for the period January 1st 1940 to April 30th 1945, at a rental of \$720.00 per annum. Lease is subject to cancellation by the lessee on April 30th 1943, upon 6 months prior notice.

* * * * *

30 “ *La Patrie Publishing Company Limited (C.H.L.P.)*—Lease is for the period May 1st 1939 to April 30th 1942,, at an annual rental of \$4,750.00 for the 1st year, \$5,000.00 for the 2nd year and \$5,250.00 for the 3rd year.

Previous lease ran from January 1933 to April 1939 at an annual rental of \$2,500.00 for the 1st year, \$3,000.00 for the 2nd year, \$3,500.00 for the 3rd year and \$4,500.00 per annum for the final 2 years and 3 months.

40 All rentals include electricity — supplied by the lessor.

Lease was subject to cancellation by the lessee on May 1st 1940 or 1941 upon 3 months notice to lessor.

* * * * *

“ *United Kingdom Security Deposit*—Lease is for the period October 1st 1941 to October 31st 1942, at a rental of \$4,800.00 per annum.

Previous lease ran from October 1940 to October 1941.

Lease is subject to cancellation by the lessee upon 6 months notice to the lessor.

* * * * *

10

“ *Central Book & Magazine Depot (M.D. #4)*—Occupied since November 1939 under a courtesy arrangement (free rent).

* * * * *

20

“ *Andrew Baile Limited (Coal Merchants)*—Lease is for the period May 1st 1941 to April 30th 1943, at a rental of \$1,550.00 per annum. Previous lease from February 1940 to April 1941.

* * * * *

“ *Hyman Zwanetz (Newspaper Vendor)*—Lease is on a monthly basis at a rental of \$420.00 per annum.

Concession in the main entrance hall for the sale of newspapers.

30

* * * * *

“ *Canadian Rhodes Manufacturing Company Limited*—Lease is for the period November 1st 1940 to October 31st 1945. Rental paid in 1941 — \$103.06.

Exclusive concession for two 1¢ ticket printing weighing machines.

40

* * * * *

“ *Bell Telephone Company of Canada*—Concession granted in July 1939 for public telephone booth situated in the rear hall between the elevator banks ‘A’ and ‘D’. Rental paid in 1941 — \$56.50.

* * * * *

3-rd Floor:

Canadian West Indian League—Courtesy arrangement granting the use of 525 square feet of space, identified on the 3rd floor plan by the letter ‘D’ — free rent.

“ *Women’s Auxiliary #1, Canadian General Hospital*—
Courtesy arrangement granting the use of 672 square
feet of space, identified on the 3rd floor plan by letter
‘J’ — free rent.

* * * * *

10 5-th Floor: *National Council of Education*—Courtesy arrangement
granting the use of 285 square feet of space, identified
on the 5th floor plan by the letter ‘C’ — free rent.

* * * * *

6-th Floor: *Aluminum Company of Canada Limited*—Bays 608 to
621 — Lease is for the period January 1st 1941 to De-
cember 31st 1943, at a rental of \$7,000.00 per annum.

20 Lease may be cancelled by the lessee December
31st 1943 or any month thereafter upon 3 months notice,
without indemnity:

“ *Aluminum Company of Canada Limited*—Bays 622 to
627 — Lease on a monthly basis from October 1st 1941
was still in effect December 1st 1941, at a rental of
\$8,076.00 per annum.

30 Previous lease from July 1940 to September 1941
at a rental of \$6,460.00 per annum.

Lessor agrees to instal temporary partitions.

Lessee is permitted to instal Fluorescent lighting
fixtures, venetian blinds and draught deflectors and
may remove them at the expiration of lease.

* * * * *

40 “ *Aluminum Company of Canada Limited*—Bays 628 to
631 — Lease is for the period July 1st 1941 to June 30th
1944, at a rental of \$16,000.00 in the first year of lease
and \$3,600.00 in each of the second and third years of
lease. Average annual rental — \$6,399.96.

The average annual rental for the period Decem-
ber 1st 1941 until the expiry date of lease is arrived at
as follows:

December 1st 1941 to June 30th 1942.	
7 months at \$1,333.33 per month	\$9,333.31
July 1st 1942 to June 30th 1943	3,600.00
July 1st 1943 to June 30th 1944	3,600.00

Total rental for unexpired term of lease \$16,533.31

10 Average monthly rental for unexpired term of lease \$533.33. Average annual rental \$6,399.96.

This space is shown on the building plan as 'Cafeteria Services', but was never used as such.

Lease may be cancelled by the lessee after one year upon one months notice.

* * * * *

20

“ *Rogers Montreal Limited*—Lease is for the period March 1st 1941 to April 30th 1942, at a rental of \$1,000.00 per annum.

Previous lease for smaller area from May 1937.

* * * * *

30

“ *Military District #4*—Lease is for the period June 1st 1941 to May 31st 1942, at a rental of \$1,020.00 per annum.

* * * * *

“ *Loewy Engineering Company Limited*—Lease is for the period February 1st 1941 to April 30th 1942, at a rental of \$960.00 per annum.

40

Previous lease for smaller area from November 1940.

* * * * *

“ *R. Bonin*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$540.00 per annum.

Previous lease May 1940 to April 1941.

* * * * *

“ *Consulate General of Spain*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$960.00 per annum.

Previous lease from May 1940 to April 1941.

10 Lease may be cancelled by the lessee upon 2 months notice.

* * * * *

“ *C. M. Hickson*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$600.00 per annum.

* * * * *

20 “ *Parsons Detective Agency Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$360.00 per annum.

Several previous leases for larger areas the first of which was dated May 1932.

* * * * *

30 “ *Montreal Graduate Nurses Association*—Lease is for the period January 1st 1941 to December 31st 1941, at a rental of \$300.00 per annum.

* * * * *

“ *Miss M. W. Kidd*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$180.00 per annum.

* * * * *

40 “ *Canadian Johns Manville Company*—Lease is for the period November 1st 1941 to April 30th 1942, at a rental of \$420.00 per annum.

* * * * *

“ *Brace, Mueller, Huntly Limited*—Lease is for the period August 1st 1941 to July 31st 1943, at a rental of \$816.00 per annum.

Lease is at the rate of \$65.00 per month for the 1st year and \$70.00 per month for the 2nd year. Average rent for unexpired 20 months of lease, \$68.00 per month — \$816.00 per annum.

Lease may be cancelled by the lessee on July 31st 1942 upon 3 months notice.

10

* * * * *

7-th Floor: *Central Agency Limited*—Monthly lease which started November 1940 and was still in effect December 1st 1941 at a rental of \$2,280.00 per annum.

* * * * *

20

“ *Belgian Legation*—Bays 708 to 711 rented from May 1st 1940 to April 30th 1943, at a rental of \$1,800.00 per annum.

* * * * *

“ *Belgian Legation*—Bay 712 rented from November 1st 1941 to April 30th 1942, at a rental of \$570.00 per annum.

* * * * *

30

“ *H. V. Bignell*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$720.00 per annum.

Previous lease from May 1940 to April 1941.

Included in this lease is electricity to be supplied by the lessor.

* * * * *

40

“ *R. Lambert (Industrial Sales Corporation)*—Lease is for the period October 1st 1941 to December 31st 1942, at a rental of \$960.00 per annum. Lease is subject to cancellation by lessee on 3 months notice without indemnity.

* * * * *

“ *American Express Company*—Lease is for the period

January 1st 1941 to December 31st 1942, at a rental of \$1,080.00 per annum.

Lease may be cancelled by the lessee after December 1941 upon 3 months notice and without indemnity.

10

* * * * *

“ *R. H. Miner Company Limited*—Lease is for the period May 1st 1939 to April 30th 1942, at a rental of \$840.00 per annum.

* * * * *

20

“ *Military District #4*—Bays 759 to 764 inclusive, rented for the period July 1st 1941 to June 30th 1942, at a rental of \$5,820.00 per annum.

* * * * *

30

“ *Military District #4*—Bays 711a, 713 to 715, 765 to 767 and Bays to the east and south of 767 rented for the period October 1st 1941 to September 30th 1942, at an average rental for the unexpired term of the lease of \$5,408.76 per annum.

The average annual rental for the period December 1st 1941 until the expiry date of lease, is arrived at as follows:

December 1st 1941 to April 30th 1942.
5 months at \$395.83 per month \$1,979.15

May 1st 1942 to September 30th 1942.
5 months at \$505.62 per month 2,528.10

40

Total rental for 10 months lease had to run \$4,507.25

Average monthly rental for unexpired term of lease — \$450.73.

Average annual rental — \$5,408.76.

Previous lease from October 1940 to September 1941.

Alterations and partitions in this space cost lessor, \$3,000.00.

10 Lessee has the right to cancel lease upon 3 months notice, but if the lease is so cancelled prior to April 1st 1942 the lessee must pay an indemnity of \$1,200.00, and if cancelled after April 1st 1942 but prior to September 30th 1942 an indemnity of \$600.00.

Lessor has the right to cancel lease upon 3 months notice, without indemnity.

* * * * *

20 “ *Military District #4*—Easterly half of the rentable area facing Dorchester Street — Monthly lease from February 1st 1941, which was still in effect December 1st 1941, at a rental of \$1,500.00 per annum.

* * * * *

7-A Floor: *Dr. Aimé Côté*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,080.00 per annum.

* * * * *

30 8-th Floor: *Kenyon & Eckhardt Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,320.00 per annum.

Previous leases from November 1st 1938 to August 31st 1939 for 385 square feet at \$900.00 per annum, and from September 1st 1939 to April 30th 1941, for space presently occupied and at present rental.

* * * * *

40 “ *Grand Duchy of Luxembourg*—Lease is for the period July 1st 1941 to December 31st 1941, at a rental of \$780.00 per annum.

* * * * *

“ *J. A. Faulconbridge*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$480.00 per annum.

“ *St. Lawrence Corporation Limited*—Bays 819 to 823, 824 and part of 817 rented for the period May 1st 1940 to April 30th 1945, at a rental of \$7,400.00 per annum.

* * * * *

10 “ *St. Lawrence Corporation Limited*—Rear of Bay 823 and 824 rented for the period September 1st 1941 to April 30th 1945, at a rental of \$480.00 per annum.

* * * * *

“ *Aluminum Company of Canada*—Lease is for the period January 1st 1941 to December 31st 1943, at a rental of \$4,250.00 per annum.

20 This space was unfinished in November 1940 when the lease was signed. It is a condition of the lease that the cost of finishing the space shall be borne by the lessee.

Lease may be cancelled by the lessee on September 1st 1941 or any month thereafter upon 3 months notice and without indemnity.

* * * * *

30 9-th Floor: *Brown Corporation*—Lease is for the period May 1st 1940 to April 30th 1943, at a rental of \$1,380.00 per annum.

* * * * *

“ *Frank Calder, President, National Hockey League*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,320.00 per annum.

40 Previous lease May 1937 to April 1941 at \$1,320.00 per annum.

* * * * *

“ *Algoma Steel Corporation Limited*—Lease is for the period May 1st 1940 to April 30th 1943, at a rental of \$3,300.00 per annum.

* * * * *

“ *Canada Iron Foundries Limited*—Bays 921 to 926 inclusive, rented for the period June 1st 1940 to May 31st 1945, at a rental of \$8,800.00 per annum.

* * * * *

10 “ *Canada Iron Foundries Limited*—Bay 920 rented for the period May 1st 1941 to April 30th 1943, at a rental of \$1,080.00 per annum.

* * * * *

“ *Canadian Advertising Agency Limited*—Lease is for the period May 1st 1941 to April 30th 1946, at a rental of \$5,500.00 per annum.

20 Lease may be cancelled by lease after 2 years upon 3 months notice, without indemnity.

* * * * *

“ *Canadian Railway Board of Adjustment #1*—Lease is for the period May 1st 1941 to April 30th 1946, at a rental of \$2,100.00 per annum.

* * * * *

30 “ *F. P. Weaver Coal Company Limited*—Bays 962, 963, 964 and 969, rented for the period May 1st 1939 to April 30th 1944, at a rental of \$4,080.00 per annum.

* * * * *

“ *F. P. Weaver Coal Company Limited*—Bay 961, rented for the period July 1st 1940 to April 30th 1944, at a rental of \$1,080.00 per annum.

40

* * * * *

“ *Stevenson & Kellog Limited*—Bays 970 and 971, rented for the period August 1941 to July 31st 1944, at an average rental for the unexpired term of the lease of \$1,147.56 per annum.

Note: The rental from December 1st 1941 to July 31st 1942 is \$720.00, for the following year \$1,140.00 and for the final year \$1,200.00. Total rental for

2 years and 8 months — \$3,060.00. Average rental per month \$95.63 — per annum \$1,147.56.

* * * * *

10 “ *Stevenson & Kellogg Limited*—Bays 967-973, rented for the period May 1st 1941 to April 30th 1942, at a rental of \$1,200.00 per annum.

Previous lease for the same space from March 1937 to April 1941.

* * * * *

20 “ *Stevenson & Kellogg Limited*—Bays 966 rented for the period August 1st 1941 to July 31st 1942, at a rental of \$810.00 per annum.

* * * * *

“ *Newsprint Association of Canada*—Lease is for the period August 1st 1941 to July 31st 1944, at a rental of \$2,800.00 per annum.

Previous lease from August 1936 to July 1941 for the same space at a rental of \$2,600.00 per annum.

* * * * *

30 “ *Elliott-Haynes Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$780.00 per annum.

Previous lease for Bays 659-660 from May 1940 to April 1941 area 459 square feet at \$480.00 per annum.

* * * * *

40 “ *Electrical Trading Company Limited*—Lease is for the period August 1st 1941 to April 30th 1942, at a rental of \$840.00 per annum.

* * * * *

“ *Military District #4*—Lease is for the period August 1st 1941 to July 31st 1942, at a rental of \$720.00 per annum.

“ *Shaw Schools Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$780.00 per annum.

* * * * *

“ *Canadian Linotype Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$540.00 per annum.

Previous lease from December 1935 to April 1941 for the same space at the same rental.

10

* * * * *

“ *Consulate General of Switzerland*—Courtesy lease on a monthly basis for inside storage space at a nominal rental of \$5.00 per month — \$60.00 per annum.

* * * * *

10-th Floor: *Schick Shaver Limited*—Lease is for the period May 1st 1940 to April 30th 1942, at a rental of \$1,920.00 per annum.

20

Previous lease from May 1937 to April 1940 for the same space at \$2,000.00 per annum.

* * * * *

“ *Schick Shaver Limited*—Lease is for the period August 1st 1940 to February 28th 1942, at a rental of \$600.00 per annum.

30

This is inside storage space, unfinished and without mechanical ventilation — area 783 square feet, rental is equal to .77¢ per square foot.

* * * * *

“ *Military District #4*—Lease is for the period October 1st 1941 to September 30th 1942, at a rental of \$900.00 per annum.

40

* * * * *

“ *Interlake Tissue Mills Company Limited*—Lease is for the period May 1st 1941 to April 30th 1943, at a rental of \$960.00 per annum. Previous lease from May 1940 to April 1941 for the same space at \$900.00 per annum.

* * * * *

“ *Tenants' Committee Room*—Board Room for the use of tenants which is rented at \$5.00 per day. Income in 1941 — \$330.00.

* * * * *

“ *Merchant’s Coal Company Limited*—Lease is for the period May 1st 1941 to April 30th 1946, at a rental of \$2,000.00 per annum.

Previous lease from May 1936 to April 1941 for the same space at \$1,800.00 per annum.

10

* * * * *

“ *Orange Blossom Beauty Shoppe*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,200.00 per annum plus 15% of all takings above \$9,000.00.

By arrangement with the lessor this lease was modified to 15% of the gross takings with a minimum rental of \$60.00 per month — \$720.00 per annum.

20

* * * * *

“ *Commercial Metal Company Limited*—Lease is for the period July 1st 1941 to April 30th 1942, at a rental of \$840.00 per annum.

* * * * *

“ *Price & Pierce Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,620.00 per annum.

30

Previous lease from May 1940 to April 1941 for the same space at the same rental.

* * * * *

“ *Thomas A. Edison of Canada Limited*—Lease is for the period July 1st 1941 to June 30th 1942, at a rental of \$1,500.00 per annum.

40

Previous lease from July 1938 to June 1941 for the same space at the same rental.

* * * * *

“ *Canadian Johns-Manville Company Limited*—Lease is for the period May 1st 1940 to April 30th 1942, at a rental of \$4,290.00 per annum.

Previous lease from May 1937 to April 1940 for the same space at the same rental.

* * * * *

12-th Floor: *Department of National Defence*—Lease is for the period October 1st 1939 to September 30th 1944, at a rental of \$34,000.00 per annum.

10 After October 1940 the area leased may at the option of lessee and upon 6 months notice be reduced by one-third. In such event the rental will be reduced by one-third, to an annual amount of \$22,666.66. In addition to this amount the lessee will be obligated to pay an indemnity of \$2,400.00 per annum for the balance of the lease.

* * * * *

14-th Floor: *Canadian International Paper Company*—Lease is for the period May 1st 1938 to April 30th 1948, at a rental of \$35,000.00 per annum for the first 5 years and \$38,000.00 per annum for the second 5 years.

20

The average annual rental for the period December 1st 1941 until the expiry date of lease is \$40,337.64 — arrived at as follows:

	December 1st 1941 to April 30th 1942 —	
	17 months at \$2,916.66 per month	\$49,583.22
30	May 1st 1943 to April 30th 1948 —	
	60 months at \$3,166.66 per month	189,999.60
	Total rental for unexpired term of lease:	<u>\$239,582.82</u>

Average monthly rental for unexpired term of lease — \$3,111.47 Average annual rental \$ 37,337.64

40 Note: The above lease embraced the entire 14th floor with the exception of Bays 77, 78, 79, 80 and part of 65 which were subsequently leased to Canadian International Paper Company from September 1st 1938 of April 30th 1948, at a monthly rental of \$250.00 — annual rental 3,000.00

Average annual rent for entire floor \$40,337.64

Lease may be cancelled by lessee on May 1st of any year, from and including 1944, on at least 12 months prior notice and without indemnity.

* * * * *

15-th
10 Floor: *Champlain Oil Products Limited*—Lease is for the period May 1st 1939 to April 30th 1944, at rentals as follows:

May 1st 1939 to April 30th 1940	—	\$12,200.00
May 1st 1940 to April 30th 1941	—	12,650.00
May 1st 1941 to April 30th 1942	—	13,050.00
May 1st 1942 to April 30th 1943	—	13,450.00
May 1st 1943 to April 30th 1944	—	13,900.00

20 The average annual rental for the period December 1st 1941 until the expiry date of lease is \$13,567.20 arrived at as follows:

December 1st 1941 to April 30th 1942	—	
5 months at \$1,087.50 per month	.....	\$5,437.50
May 1st 1942 to April 30th 1943	— 12 months	13,450.00
May 1st 1943 to April 30th 1944	12 months	13,900.00

Total rental for unexpired term of lease: \$32,787.50

30 Average monthly rental for unexpired term—\$1,130.60.
Average annual rental—\$13,567.20.

* * * * *

“ *Investigations Limited*—Lease is for the period March 1st 1941 to December 31st 1943, at a rental of \$1,080.00 per annum.

40 * * * * *

“ *Consulate General of Switzerland*—Lease is for the period May 1st 1939 to April 30th 1944, at a rental of \$2,124.00 per annum.

* * * * *

“ *Industrial Acceptance Corporation Limited* — Bays 1523 and 1524 rented for the period February 1st 1938

to December 31st 1943, at a rental of \$172.00 per month for 11 months and \$200.00 per month for balance of lease. Annual rental \$2,400.00.

* * * * *

10 “ *Industrial Acceptance Corporation Limited* — Bays 1525, 1537 to 1544 and 1555 to 1557 rented for the period January 1st 1939 to December 31st 1943, at a rental of \$9,600.00 per annum.

Previous lease for Bays 1525 to 1537 and 1555 to 1557 from March 1st 1933 to December 31st 1938 — 6,500 square feet at \$8,000.00 per annum.

20 Note: In our valuation statement covering rentable area on the 15th floor, the above two leases are treated as one, at a total rental of \$12,000.00 per annum.

* * * * *

30 “ *Industrial Acceptance Corporation Limited*—Lease is for the period May 1st 1938 to April 30th 1942, for storage space indicated on photostat of plan for 15th floor by the letter ‘K’ at a rental of \$624.00 per annum. Area of space, 810 square feet. Rental is equal to .77¢ per square foot.

Note: 4 units of storage and locker room space, indicated on plan by the letters ‘J’ — ‘L’ — ‘M’ — ‘N’ — are occupied by Industrial Acceptance Corporation Limited under a courtesy arrangement, free of rent. Total actual area included in this free space 1,703 square feet.

* * * * *

40 “ *Price Brothers Sales Corporation*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,500.00 per annum.

Previous lease from May 1st 1938 to April 30th 1941 for the same space at the same rental.

* * * * *

“ *Hooper Holmes Bureau Incorporated*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$660.00 per annum.

Previous lease from May 1st 1932 to April 30th 1933 for 353 square feet of space on 5th floor at \$660.00.

10 Various moves to similar spaces in intervening years.

* * * * *

“ *Paradis & Son*—Lease is for the period May 1st 1939 to April 30th 1944, at a rental of \$2,256.00 per annum.

Previous lease from November 1st 1933 to April 30th 1939 for 420 square feet at \$810.00.

20

* * * * *

16-th Floor: *Consolidated Paper Corporation Limited*—Bays 1615 to 1625 inclusive, 1665, 1677 to 1680 inclusive, 1601 to 1604 inclusive., and storage space indicated on photostat of 16th floor plan by the letter ‘I’, rented for period May 1st 1937 to April 30th 1942, at a rental of \$25,000.00 per annum.

30

* * * * *

“ *Consolidated Paper Corporation Limited*—Bays 1663 and 1664 rented for the period September 1st 1937 to April 30th 1942, at a rental of \$2,125.00 per annum.

* * * * *

40 “ *Consolidated Paper Corporation Limited*—Bays 1637 and 1638 rented for the period May 1941 to April 30th 1942, at a rental of \$1,080.00 per annum.

Previous lease for the same space from October 1st 1937 to April 30th 1941.

Note: Our measurements of the space included in the three leases to Consolidated Paper Corporation Limited indicate a total area of 15,460 square feet for which our rental valuation is \$26,143.65 per annum.

This company has also been given the use of locker space, indicated on plan of 16th floor by the letters 'A' and 'B' and containing 818 square feet, the rental value of which is \$799.50. Our valuation of the entire space occupied by this company amounting to 16,278 square feet is \$26,943.15 equal to \$1.65 per square foot.

10

The lease to Consolidated Paper Corporation Limited includes the cost of electricity used for lighting and estimated by the lessor to amount to .7¢ per square foot per annum.

* * * * *

20

“ *Canadian Pulp & Paper Association* (Wartime Service Department) — Monthly lease which started October 1st 1941 and was still in effect on December 1st 1941, at a rental of \$1,600.00 per annum.

* * * * *

30

“ *Canadian Pulp & Paper Association*—Monthly lease which started April 1st 1941 and was still in effect December 1st 1941. The space leased is the rear part of Bays 1659 and 1660 at a rental of \$480.00 per annum.

* * * * *

40

“ *Business Mens' Health Club*—Lease is for the period October 15th 1938 to October 15th 1943, at a rental of \$3,600.00 per annum. By arrangement with the lessor the rental was reduced from January 15th 1941 to \$3,000.00 per annum.

The first year's rental of \$3,600.00 was paid in advance and monthly payments of \$300.00 started October 15th 1939.

* * * * *

“ *Ayers Limited*—Lease is for the period May 1st 1941 to April 30th 1942, at a rental of \$1,380.00 per annum.

Previous lease from May 1st 1932 to April 30th 1941 for the same space at the same rental.

* * * * *

“ *Bathurst Power & Paper Company Limited*—Lease is for the period May 1st 1938 to April 30th 1943, at a rental of \$5,500.00 per annum.

* * * * *

10 17-th *Aluminum Company of Canada Limited*—Lease is for
18-th the period May 1st 1940 to April 30th 1950, for the
Floors: entire 17th and 18th floors at a total rental of \$73,000.00
per annum — \$36,500.00 for each floor.

* * * * *

21-st *Aluminum Limited*—Lease is for the period May 1st
Floor: 1940 to April 30th 1950, for the entire 21st floor, at a
rental of \$28,500.00 per annum.

20 Note: The lease for any one or two of the three
floors mentioned above may be cancelled by the lessee,
as of the dates specified hereunder and upon one year's
notice to the lessor. If the leases for one or two of the
floors should be cancelled by the lessee prior to April
30th 1946, the lessee would be obligated to pay the lessor
an indemnity or indemnities as follows:

30 (a) At the end of three years, an amount of \$25,000.00
for the 21st floor or \$33,000.00 for either the 17th
or 18th floor.

(b) At the end of four years an amount of \$4,500.00
for the 21st floor or \$7,000.00 for either the 17th
or 18th floor.

40 (c) At the end of five years, there would be no in-
demnity unless the lease for one of the floors had
previously been cancelled, in which event the
second cancellation would be subject to an in-
demnity of \$4,500.00 for the 21st floor and
\$7,000.00 for either the 17th or 18th floor.

(d) At the end of the sixth or any succeeding year,
the lease or leases for any one or two of the floors
may be cancelled without indemnity.

(e) In no event may the leases for more than two
floors be cancelled during the 10 years period, nor
more than one floor in any one year.

19-th Floor: *Ogilvie Flour Mills Company Limited*—Lease is for the period July 1st 1940 to June 30th 1950 for the entire space fronting on Mansfield and Dorchester Streets, also two small units of inside space indicated on 19th floor plan by the letters 'H' and 'K'. Rental \$18,360.00 per annum.

10

* * * * *

“ *Ogilvie Flour Mills Company Limited*—subsequently rented the space reserved for Bank 'C' elevator hall, for the period February 7th 1941 to June 30th 1950, at a rental of \$30.00 per month for the first year and \$20.00 per month for subsequent years. The space measures 330 square feet. Rental .72¢ per square foot.

20

The lessor agrees to partition the space with terra cotta walls, not plastered, and to finish the floor with smooth cement.

Lease may be cancelled by either party upon 3 months notice and without indemnity.

Note: As we anticipate this space will in future be used for additional elevators, we have not included it in our valuation of rentable area.

30

* * * * *

“ *Nichols Chemical Company Limited*—Lease is for the period May 1st 1941 to April 30th 1944, at a rental of \$3,240.00 per annum.

* * * * *

40

“ *The Canada Starch Company Limited*—Lease is for the period May 1st 1941 to April 30th 1946, at a rental of \$11,650.00 per annum.

PLAINTIFF'S EXHIBIT P-11 AT ENQUETE

Report of Mr. J. J. Perreault.

10 D. L. Macaulay, Esq.,
Assistant-Secretary,
Sun Life Assurance Company of Canada,
Sun Life Building,
Montreal, P.Q.

March the Sixth
Nineteen Hundred
and Forty Three.

Dear Mr. Macaulay:

Valuation Sun Life Building, Montreal.

20 At your request, the undersigned has examined the property known as the "Sun Life Building" situated between Mansfield and Metcalfe streets to the north of Dorchester street, Montreal, in view of preparing an estimate of the real value of this property.

All the cube data and the percentage of rentable floor area, have been obtained from representatives of your firm.

30 The property has been valued by using what is known as the cube method; in arriving at our figure, representing the replacement cost of this structure as of the fall of 1941, the following factors were considered:—

- 10 The building was considered as having been constructed at one period instead of three as was actually the case. The cost of construction of this building is necessarily much lower if the building operations are carried on at one time instead of at three distinct periods.
- 40 20 The various expensive materials used. In arriving at the unit cost, due allowances were made so as to include the cost of expensive materials such as granite, bronze, marble, etc.
- 30 In general, the floor to floor height is 14'6" with a net floor to ceiling height of about 10'6". This type of construction tends to lower the unit price per cubic foot as there is about 4'0" in height which is unfinished. Further more the cost of the floors, the ceilings, the doors and windows, etc., are divided over a greater mass cube.

- 40 Of the total cubical contents of 21,931,761 cubic feet, 3,105,000 cubic feet comprise basements, 917,000 cubic feet for blind floors, 149,000 for the central entrance hall, 210,000 for the public hall, 199,000 for the assembly room, and 222,000 for the gymnasium. Furthur more, there are a great number of large office spaces. These large cubes necessarily tend to lower the unit cost per foot.
- 10 50 The depth of offices from the exterior wall to the interior corridor in the average office building is from 20'0" to 25'0"; in the building under consideration, this depth varies from about 30'0" to 48'0" and over.
- 60 The power plant is not located in the building but forms a separate structure outside this edifice. Usually the price per cubic foot of a building includes the heating plant, which is an expensive item. Estimates have been prepared with and without the heating plant.

20 I am of the opinion that the replacement cost of this building in the fall of 1941 should be placed at \$0.80 or \$0.81 cents per cubic foot as the case may be. This figure represents my considered opinion of the replacement value of the building after costs of material and labour had risen as a consequence of the effects of war, and includes in it assumed prices for certain materials which, owing to war, are either unobtainable or could be replaced only at prohibitive cost. I feel that the assessment value of a building should be based on normal costs, that is to say not down

30 to a low figure which might be obtained during a depression, nor up to a high figure caused by abnormal conditions bringing about a shortage of material and labour. In order to obtain a stable replacement figure, I consider that the replacement costs should be computed as at the last period when all the various materials were obtainable in a free market, which would be immediately prior to the advent of the war (viz., in the year 1939) I am of the opinion that the replacement cost at that time would have been 10% less than in the year 1941.

40 We must consider this building, from the point of view of a commercial structure; as a revenue producing building. It is an accepted fact that in a structure of this type, the net rentable floor area should vary between 70% and 74% of the gross floor area; otherwise it is impossible to obtain an adequate return on the monies invested.

In a table attached to this report will be found percentage of net rentable floor area to gross floor area as pertaining to the Sun Life Building; these ratios are computed on several interpretations.

— SUN LIFE BUILDING RENTABLE FLOOR AREAS IN SQUARE FEET —

Floor	Gross Floor Area	Total Occupied Area "A"	Areas at Elevators "H.J."	Col. "A" Less H.J.	Corridors & Lockers "F.G."	Col. "A" Less F.G. H.J.	Locker Space & Service "D.E."	Col. "A" Less DEF G.H.J.	Outside Spaces	Inside Spaces
3rd B.	59,968	6,612	.....	6,612	.....	6,612	.....	6,612	.....	6,612
2nd B.	84,259	28,533	.....	28,533	2,062	26,471	225	26,246	.....	26,246
1st B.	88,399	36,961	.....	36,961	.....	36,961	1,976	34,985	.....	34,985
Totals	232,626	72,106	.....	72,106	2,062	70,044	2,201	67,843	.....	67,843
Gr. Fl.	87,132	43,125	.....	43,125	1,064	42,061	420	41,641	27,125	14,516
1st Fl.	86,684	46,926	.....	46,926	1,879	45,047	573	44,474	33,911	10,563
2nd Fl.	86,684	49,985	.....	49,985	1,890	48,075	971	47,124	38,004	9,120
3rd Fl.	83,073	49,426	.....	49,426	2,805	46,621	791	45,830	30,614	15,216
4th Fl.	83,247	54,469	.....	54,469	2,238	51,631	791	50,840	44,550	6,290
5th Fl.	66,821	47,928	.....	47,928	3,564	44,364	774	43,590	39,765	3,825
6th Fl.	66,949	51,539	.....	51,539	3,374	48,165	2,470	45,695	40,409	5,286
7th Fl.	61,169	35,431	.....	35,431	2,254	33,177	396	32,781	29,729	3,052
7-a Fl.	61,169	2,566	.....	2,566	.....	2,566	.....	2,566	1,576	990
8th Fl.	57,763	31,555	.....	31,555	672	30,883	1,580	29,303	29,303	.....
9th Fl.	57,763	24,395	724	23,671	146	23,525	90	23,435	23,435	.....
10th Fl.	62,494	26,288	352	25,936	.....	25,936	2,788	23,148	14,176	8,972
11th Fl.U.	38,390	23,107	319	22,788	1,733	21,055	760	20,295	20,295	.....
12th Fl.	38,390	24,191	143	24,048	694	23,354	837	22,517	21,917	600
14th Fl.	38,390	26,172	810	25,362	1,333	24,029	643	23,386	23,386	.....
15th Fl.	38,390	24,719	1,118	23,601	2,052	21,549	.....	21,549	19,234	2,315
16th Fl.	38,390	24,937	783	24,154	1,861	22,293	.....	22,293	22,293	.....
17th Fl.	38,002	20,743	320	20,423	1,521	18,902	499	18,403	13,830	4,573
18th Fl.	38,002	21,856	.....	21,856	1,710	20,146	280	19,866	16,063	3,803
19th Fl.	38,002	21,852	.....	21,852	294	21,558	490	21,068	21,068	.....
20th Fl.U.	26,799	16,046	.....	16,046	1,465	14,581	536	14,045	14,045	.....
21st Fl.	26,799	13,927	.....	13,927	554	13,373	969	12,404	12,404	.....
22nd Fl.U.	26,466	16,292	.....	16,292	291	16,001	1,044	14,957	14,957	.....
23rd Fl.U.	21,552	11,099	.....	11,099	240	10,859	1,044	9,815	9,815	.....
Total	1,207,351	706,008	4,569	701,439	34,234	667,205	18,746	648,459	560,328	88,131
	% Net Rentable area	58.5%		58.1%		55.2%		53.7%		
	% Depr. on 70% basis	16.4%		17.		21.1		23.3%		
	% Depr. on 72% basis	18.9%		19.3		23.3		26.1%		

**TABLE SHOWING DEPRECIATION DUE
TO LOSS OF RENTAL**

	Rental Area of 648,459 sq. ft.	AREA Sq. Ft.	%	Unit Rental Rate	Resultant
10	Lighted space within 27'0"	434,467	= 67.0%	\$2.00	1.3400
	Lighted space beyond 27'0"	125,861	= 19.4	1.00	.1940
	Unlighted space	88,131	= 13.6	.30	.0408
		<u>648,459</u>	<u>100.0%</u>		<u>1.5748</u>
				Depreciation	21.26%
	Rental Area of 667,205 sq. ft.	AREA Sq. Ft.	%	Unit Rental Rate	Resultant
20	Lighted space within 27'0"	434,467	= 65.1	\$2.00	1.3020
	Lighted space, balance	125,861	= 18.9	1.00	.1890
	Unlighted space, inside	106,877	= 16.0	.30	.0480
		<u>667,205</u>	<u>100.0%</u>		<u>1.5390</u>
				Depreciation	23.05%
	Rental Area of 701,439 sq. ft.	AREA Sq. Ft.	%	Unit Rental Rate	Resultant
30	Lighted space within 27'0"	434,467	= 61.9	\$2.00	1.2380
	Lighted space, balance	125,861	= 18.0	1.00	.180
	Unlighted space, inside	141,111	= 20.1	.30	.0603
		<u>701,439</u>	<u>100.0%</u>		<u>1.4783</u>
				Depreciation	26.08%
	Rental Area of 706,008 sq. ft.	AREA Sq. Ft.	%	Unit Rental Rate	Resultant
40	Lighted space within 27'0"	434,467	= 61.5	\$2.00	1.2300
	Lighted space, balance	125,861	= 17.9	1.00	.1790
	Unlighted space, inside	145,680	= 20.6	.30	.0618
		<u>706,008</u>	<u>100.0%</u>		<u>1.4708</u>
				Depreciation	26.46%

“Total occupied area-A” comprises all areas that might be interpreted as being revenue producing. “Areas at elevators-H.J.” comprises areas at bank “B” and bank “C” elevator shafts and lobbies. “Corridors and lockers-F.G.” comprises areas for potential corridors, and locker room space while used as locker rooms and rest rooms by tenants. “Locker space and service areas-D.E.” comprises locker room space occupied by tenant for other
10 use than locker and rest rooms, and also service areas included as rentable.

In computing totals, the basement and 7-A floor areas have been omitted.

I am of the opinion that the true rentable floor area is reflected in the last three columns giving a total, exclusive of basement and 7-A floor, of 648,459 square feet subdivided into 560,328
20 square feet of outside lighted space and 88,131 square feet of inside unlighted space.

The entire building suffered upon completion an immediate planning functional depreciation due to a low rentable floor area in comparison to the gross floor area. The table shows rentable floor areas varying from 53.7% to 58.5% and the immediate depreciation suffered by the building is shown on this table assuming nominal ratios of 70% and 72%. The depreciation on a basis of 70% computed on the rentable area of 648,459 square feet is shown as 23.3%. I have used this figure in computing the
30 planning functional depreciation.

The net rentable floor area mentioned above does not comprise space which can all be rental at the normal rate established for a building of this kind. Some of this space is composed of inside unlighted areas and the balance which is outside lighted space varies in depth from 30 to 48'0" and over. This latter space has been subdivided into two categories; firstly: space within
40 27'0" from the outside wall and secondly: space beyond the 27'0".

Assuming a normal rentable price of \$2.00 per square foot, I am of the opinion that space within the 27'0" would carry the normal rental of \$2.00, the space beyond the 27'0" would carry a rental of \$1.00 per square foot while the unlighted space would carry a rental of \$0.30. This loss of rental produces an additional depreciation felt immediately upon completion of the building. The results are shown on table attached.

It is to be noted that the net results will not vary noticeably if the planning functional depreciation and the depreciation due to loss rental are based on the other rentable floor areas shown on the table — to — wit:

10	<i>Planning Functional Depr.</i>	<i>Rental Loss Depr.</i>	<i>Total Resultant Depr.</i>
Rentable Area of 648,459	23.3%	21.26%	39.60%
Rentable Area of 667,205	21.1%	23.05%	39.28%
Rentable Area of 701,439	17.0%	26.08%	38.65%
Rentable Area of 706,008	16.4%	26.46%	38.52%

20 The building is subject to a normal depreciation due to time, and I have assumed in establishing these figures a life time of 100 years for a 75% depreciation; the depreciations mentioned in the text book on municipal valuation prepared by Mr. Honoré Parent, K.C., Director of Municipal Services, City of Montreal, approximate my results. In view of Mr. Parent's connections with the City of Montreal, I have used Mr. Parent's figures.

30 I have subdivided the building in three units: unit "A", comprising that part situated at the corner of Metcalfe and Dorchester, constructed from May 1914 to January 1918; unit "B", comprising that part situated at the corner of Mansfield and Dorchester streets, constructed from 1923 to December 1925; and finally unit "C", the balance of the structure constructed from 1927 to late 1930, and even some small sections terminated in August 1931. The heating plant is situated across Mansfield Street; the garage has not been included. This plant was erected in 1930.

VALUATION SUN LIFE BUILDING, INCLUDING
HEATING PLANT

40

CUBICAL CONTENTS:

Unit A —	1,850,000 cu. ft.	
Unit B —	1,150,000 cu. ft.	
Unit C —	18,931,761 cu. ft.	21,931,761 cu. ft.
<hr/>		
HEATING PLANT		552,300
LESS GARAGE:		
	Total Cube.....	<hr/> 22,484,061 cu. ft.

— VALUATION —

	22,484,061 cu. ft. @ \$0.81 =	\$18,212,000.00
	Less amount for unfinished floors.	250,000.00
		<hr/>
		\$17,962,000.00
10	Less 10% reduction, reducing valuation to 1939 basis	1,796,200.00
		<hr/>
		\$16,165,800.00
	Less 23.3% depreciation due to planning functional inadaptability	3,766,600.00
		<hr/>
		\$12,399,200.00
20	Less 21.26% depreciation due to loss of rental	2,636,000.00
		<hr/>
		<u>\$ 9,763,200.00</u>

\$9,763,200.00 DIVIDED AS FOLLOWS FOR PHYSICAL DEPRECIATION

	Cube	Valuation	Age	Depr.	Net Valuation
Unit A	1,850,000 cu. ft. =	803,500	24y.	28½% =	574,500.00
Unit B	1,150,000 cu. ft. =	499,500	17	21 =	394,600.00
30 Unit C7 and Heating Plant	19,486,761 cu. ft. =	8,460,200	11	14½ =	7,233,500.00
	<hr/>	<hr/>			<hr/>
	22,486,761 cu. ft. =	9,763,200	Total	=	<u>\$8,202,600.00</u>

The above valuation comprises the main building and the heating plant considered as one unit. The following valuation treats the main building as one unit and the heating plant (always exclusive of garage) as a separate unit.

VALUATION SUN LIFE, BUILDING, EXCLUSIVE OF HEATING PLANT

CUBICAL CONTENTS:

Unit A —	1,850,000 cu. ft.	
Unit B —	1,150,000 cu. ft.	
Unit C —	18,931,761 cu. ft.	21,931,761 cu. ft.
	<hr/>	

— VALUATION —

	21,931,761 cu. ft. @ \$0.80 =	\$17,545,000.00
	Less amount for unfinished floors.	250,000.00
		<hr/>
		\$17,295,000.00
	Less 10% reduction, reducing valuation to 1939 basis	1,729,000.00
10		<hr/>
		\$15,566,000.00
	Less 23.3% depreciation due to planning functional inadaptability	3,627,000.00
		<hr/>
		\$11,939,000.00
	Less 21.26% depreciation due to loss of rental	2,538,000.00
		<hr/>
20		<u>\$ 9,401,000.00</u>

\$9,401,000.00 DIVIDED AS FOLLOWS FOR PHYSICAL DEPRECIATION

	Cube	Valuation	Age	Depr.	Net Valuation
Unit A —	1,850,000 cu. ft. =	\$ 792,500	24y.	28½% =	\$ 566,600.00
Unit B —	1,150,000 cu. ft. =	493,500	17	21 % =	390,000.00
Unit C —	18,931,761 cu. ft. =	8,115,000	11	14½% =	6,938,000.00
	<hr/>	<hr/>			<hr/>
30	21,931,761 cu. ft. =	\$9,401,000	Total	=	<u>\$7,894,600.00</u>

VALUATION OF HEATING PLANT

	552,300 cu. ft. @ \$1.20 =	\$ 662,760.00
	Less 10% reduction, reducing valuation to 1939 basis	66,260.00
		<hr/>
		\$ 596,500.00
	Less 23.3% depreciation due to planing functional inadaptability	139,000.00
40		<hr/>
		\$ 457,500.00
	Less 21.26% depreciation due to loss of rental	97,200.00
		<hr/>
		\$ 360,300.00
	Less physical depreciation, 11 years, 14½%	52,200.00
		<hr/>
	Net Valuation	<u>\$ 308,100.00</u>

— TOTAL —

MAIN BUILDING	\$ 7,894,600.00
HEATING PLANT	308,100.00
TOTAL:—.....	<u>\$ 8,202,700.00</u>

10

The above valuation of the Heating Plant has been considered as subjected to the same depreciations as the main building; considered as a totally separate unit, the valuation would be based on a life time of 25 years, the whole as follows:

VALUATION OF HEATING PLANT

20 552,300 cu. ft. @ \$1.20 =	\$ 662,760.00
Less 10% reduction, reducing valuation to 1939 basis	66,260.00
	<u>\$ 596,500.00</u>
Less physical depreciation due to age (11 years) based on a life time of 25 years, namely 44%, =	262,500.00
30 Net Valuation	<u>\$ 334,000.00</u>

In order to arrive at the real value for taxation purposes, that is to say, the value established in a transaction between a seller who wishes to sell but does not have to do so, and a buyer who wishes to buy but is not obligated to do so, the above valuation of \$8,202,600.00 may be subject to a fluctuation, depending on the net revenue of the property. It is quite evident that this net revenue is a very important factor in determining the true real value of this property. The net revenue should be determined after deducting from the gross revenue all operating charges against the property and setting aside an amount to amortize the capital invested in the building, so as to compensate for the physical depreciation of the structure.

For your convenience I have extracted the physical depreciation of each unit, and I have reduced said depreciation to an annual figure as follows:—

PHYSICAL DEPRECIATIONS

	UNIT "A"			
		\$229,000.00	aver a period of 24 years =	\$ 9,542.00
	UNIT "B"			
		\$104,900.00	over a period of 17 years =	6,170.00
	UNIT "C" AND HEATING PLANT			
10		\$1,226,700.00	over a period of 11 years =	111,518.00
				<hr/>
	Total annual physical depreciation			<u>\$127,230.00</u>

It is to be noted that the above physical depreciation is computed on values after deducting functional planning depreciation and rental loss depreciation; if the physical depreciation were computed on the basis of the 1939 replacement value the figures would be as follows:—

20	Unit A —	\$1,323,800.	24y.	377,283.	\$ 15,710.00
	Unit B —	822,000.	17	172,620.	10,150.00
	Unit C — and Heat. plant	14,020,000.	11	2,032,900.	184,810.00
		<hr/>			<hr/>
		\$16,165,800.			\$210,670.00
		<hr/>			<hr/>

30 I am at your disposal for any further information which you might require from me.

Jean Julien Perrault.

JEAN JULIEN PERRAULT
Architect

40 Member of the firm "Perrault & Gadbois", Architects, Montreal since 1921.

Graduated in Architecture McGill University 1915.

Extension Work Columbia University, New York City, 1916-1917.

Past President of the Province of Quebec Association of Architects.

Served on Council for 19 years.

Fellow of the Royal Architectural Institute of Canada.

Ex Manager of the Robertson & Janin Building Company, General Constructors. (5 years).

Past President of the Montreal Builders Exchange.

10 Has constructed for his own account, buildings to an aggregate amount of two million dollars.

Has acted as architect, designing and supervising various buildings in the City of Montreal, for an amount aggregating about ten million dollars.

Has been called upon to act as arbitrator in several cases of litigations.

20 Valuation of Properties.

ARCHITECTURE

	St. Jean de Dieu Hospital	2,500,000.00
	Thémis Building	400,000.00
	Railway Exchange Bldg.	300,000.00
	Office Specialty Bldg.	100,000.00
	Stonehurst-Stonehenge	460,000.00
30	Stanislas College	200,000.00
	Hotel Dieu addition (associate)	700,000.00
	C. E. Gravel, residence	120,000.00
	Plateau School	400,000.00
	Apartment houses:	
	Cote des Neiges Road	450,000.00
	Crescent Building	200,000.00
	Wartime Housing, Limited	650,000.00
	Apartment houses, at Outremont, etc., etc.	1,000,000.00

40

CONSTRUCTION

	Thémis Building	400,000.00
	Railway Exchange B.	300,000.00
	Castle Building	300,000.00
	Mtl. Baseball Stadium	280,000.00
	Schools	300,000.00
	Reconstruction Montreal City Hall, etc., etc.	300,000.00

